

116TH CONGRESS  
2D SESSION

# H. R. 8696

To increase retirement savings, simplify and clarify retirement plan rules,  
and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

OCTOBER 27, 2020

Mr. NEAL (for himself and Mr. BRADY) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committees on Financial Services, and Education and Labor, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To increase retirement savings, simplify and clarify  
retirement plan rules, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the  
5 “Securing a Strong Retirement Act of 2020”.

6 (b) TABLE OF CONTENTS.—The table of contents for  
7 this Act is as follows:

Sec. 1. Short title; table of contents.

## TITLE I—EXPANDING COVERAGE AND INCREASING RETIREMENT SAVINGS

- Sec. 101. Expanding automatic enrollment in retirement plans.
- Sec. 102. Modification of credit for small employer pension plan startup costs.
- Sec. 103. Simplification and increase in Saver's Credit.
- Sec. 104. Enhancement of 403(b) plans.
- Sec. 105. Increase in age for required beginning date for mandatory distributions.
- Sec. 106. Deferral of tax for certain sales of employer stock to employee stock ownership plan sponsored by S corporation.
- Sec. 107. Indexing IRA catch-up limit.
- Sec. 108. Higher catch-up limit to apply at age 60.
- Sec. 109. Multiple employer 403(b) plans.
- Sec. 110. Treatment of student loan payments as elective deferrals for purposes of matching contributions.
- Sec. 111. Application of credit for small employer pension plan startup costs to employers which join an existing plan.
- Sec. 112. Military spouse retirement plan eligibility credit for small employers.
- Sec. 113. Small immediate financial incentives for contributing to a plan.
- Sec. 114. Safe harbor for corrections of employee elective deferral failures.
- Sec. 115. One-year reduction in period of service requirement for long-term, part-time workers.
- Sec. 116. Governmental pension plans may include certain firefighters, emergency medical technicians, and paramedics.

## TITLE II—PRESERVATION OF INCOME

- Sec. 201. Remove required minimum distribution barriers for life annuities.
- Sec. 202. Qualifying longevity annuity contracts.
- Sec. 203. Insurance-dedicated exchange-traded funds.

## TITLE III—SIMPLIFICATION AND CLARIFICATION OF RETIREMENT PLAN RULES

- Sec. 301. Recovery of retirement plan overpayments.
- Sec. 302. Reduction in excise tax on certain accumulations in qualified retirement plans.
- Sec. 303. Performance benchmarks for asset allocation funds.
- Sec. 304. Review and report to the Congress relating to reporting and disclosure requirements.
- Sec. 305. Eliminating unnecessary plan requirements related to unenrolled participants.
- Sec. 306. Retirement savings lost and found.
- Sec. 307. Exemption from required minimum distribution rules for individuals with certain account balances.
- Sec. 308. Expansion of Employee Plans Compliance Resolution System.
- Sec. 309. Eliminate the “first day of the month” requirement for governmental section 457(b) plans.
- Sec. 310. One-time election for qualified charitable distribution to split-interest entity; increase in qualified charitable distribution limitation.
- Sec. 311. Retirement plan distributions for charitable purpose.
- Sec. 312. Distributions to firefighters.
- Sec. 313. Exclusion of certain disability-related first responder retirement payments.

Sec. 314. Individual retirement plan statute of limitations for excise tax on excess contributions, certain accumulations, and prohibited transactions.

Sec. 315. Requirement to provide paper statements in certain cases.

#### TITLE IV—TECHNICAL AMENDMENTS

Sec. 401. Amendments relating to Setting Every Community Up for Retirement Enhancement Act of 2019.

#### TITLE V—ADMINISTRATIVE PROVISIONS

Sec. 501. Provisions relating to plan amendments.

## **1 TITLE I—EXPANDING COVERAGE 2 AND INCREASING RETIRE- 3 MENT SAVINGS**

### **4 SEC. 101. EXPANDING AUTOMATIC ENROLLMENT IN RE- 5 TIREMENT PLANS.**

6 (a) IN GENERAL.—Subpart B of part I of subchapter  
7 D of chapter 1 of the Internal Revenue Code of 1986 is  
8 amended by inserting after section 414 the following new  
9 section:

#### **10 “SEC. 414A. REQUIREMENTS RELATED TO AUTOMATIC EN- 11 ROLLMENT.**

12 “(a) IN GENERAL.—Except as otherwise provided in  
13 this section—

14 “(1) an arrangement shall not be treated as a  
15 qualified cash or deferred arrangement described in  
16 section 401(k) or as a qualified salary reduction ar-  
17 rangement described in section 408(p) unless such  
18 arrangement meets the automatic enrollment re-  
19 quirements of subsection (b), and

1           “(2) an annuity contract otherwise described in  
2           section 403(b)(1) which is purchased under a salary  
3           reduction agreement shall not be treated as de-  
4           scribed in such section unless such agreement meets  
5           the automatic enrollment requirements of subsection  
6           (b).

7           “(b) AUTOMATIC ENROLLMENT REQUIREMENTS.—

8           “(1) IN GENERAL.—An arrangement or agree-  
9           ment meets the requirements of this subsection if  
10          such arrangement or agreement is an eligible auto-  
11          matic contribution arrangement (as defined in sec-  
12          tion 414(w)(3)) which meets the requirements of  
13          paragraphs (2) through (4).

14          “(2) ALLOWANCE OF PERMISSIBLE WITH-  
15          DRAWALS.—An eligible automatic contribution ar-  
16          rangement meets the requirements of this paragraph  
17          if such arrangement allows employees to make per-  
18          missible withdrawals (as defined in section  
19          414(w)(2)).

20          “(3) MINIMUM CONTRIBUTION PERCENTAGE.—  
21          An eligible automatic contribution arrangement  
22          meets the requirements of this paragraph if—

23                  “(A) the uniform percentage of compensa-  
24                  tion contributed by the participant under such  
25                  arrangement during the first year of participa-

tion is not less than 3 percent and not more than 10 percent (unless the participant specifically elects not to have such contributions made or to have such contributions made at a different percentage), and

“(B) such uniform percentage is increased by 1 percentage point for each year of participation under such arrangement (but not above 10 percent) unless the participant specifically elects not to have such contributions made or to have such contributions made at a different percentage.

“(4) INVESTMENT REQUIREMENTS.—An eligible automatic contribution arrangement meets the requirements of this paragraph if amounts contributed pursuant to such arrangement, and for which no investment is elected by the participant, are invested consistent with the requirements of section 2550.404c–5 of title 29, Code of Federal Regulations (or any successor regulations).

“(c) EXCEPTIONS.—For purposes of this section—

“(1) EXCEPTION FOR PLANS OR ARRANGEMENTS ESTABLISHED BEFORE ENACTMENT OF SECTION.—Subsection (a) shall not apply to—

1           “(A) any qualified cash or deferred ar-  
2           rangement or qualified salary reduction ar-  
3           rangement established before the date of the  
4           enactment of this section, or

5           “(B) any annuity contract purchased  
6           under a plan established before the date of the  
7           enactment of this section.

8           “(2) EXCEPTION FOR GOVERNMENTAL AND  
9           CHURCH PLANS.—Subsection (a) shall not apply to  
10          any governmental plan (within the meaning of sec-  
11          tion 414(d)) or any church plan (within the meaning  
12          of section 414(e)).

13          “(3) EXCEPTION FOR NEW BUSINESSES.—Sub-  
14          section (a) shall not apply to—

15               “(A) any qualified cash or deferred ar-  
16               rangement or qualified salary reduction ar-  
17               rangement established while all employers main-  
18               taining the plan (and any predecessor employ-  
19               ers) have been in existence for less than 3  
20               years, or

21               “(B) any annuity contract purchased  
22               under a plan established while all employers  
23               maintaining such plan have been in existence  
24               for less than 3 years.

1 “(4) EXCEPTION FOR SMALL BUSINESSES.—

2 Subsection (a) shall not apply to—

3 “(A) any qualified cash or deferred ar-  
 4 rangement or qualified salary reduction ar-  
 5 rangement if such arrangement is established  
 6 not later than 1 year after the close of the last  
 7 taxable year with respect to which all employers  
 8 maintaining the plan normally employed 10 or  
 9 fewer employees on a typical business day, or

10 “(B) any annuity contract purchased  
 11 under a plan established not later than 1 year  
 12 after the close of the last taxable year with re-  
 13 spect to which all employers maintaining such  
 14 plan normally employed 10 or fewer employees  
 15 on a typical business day.”.

16 (b) CLERICAL AMENDMENT.—The table of sections  
 17 for subpart B of part I of subchapter D of chapter 1 of  
 18 the Internal Revenue Code of 1986 is amended by insert-  
 19 ing after the item relating to section 414 the following  
 20 new item:

“Sec. 414A. Requirements related to automatic enrollment.”.

21 (c) EFFECTIVE DATE.—The amendments made by  
 22 this section shall apply to plan years beginning after De-  
 23 cember 31, 2021.

1 **SEC. 102. MODIFICATION OF CREDIT FOR SMALL EM-**  
 2 **PLOYER PENSION PLAN STARTUP COSTS.**

3 (a) INCREASE IN CREDIT PERCENTAGE FOR SMALL-  
 4 ER EMPLOYERS.—Section 45E(e) of the Internal Revenue  
 5 Code of 1986 is amended by adding at the end the fol-  
 6 lowing new paragraph:

7 “(4) INCREASED CREDIT FOR CERTAIN SMALL  
 8 EMPLOYERS.—In the case of an employer which  
 9 would be an eligible employer under subsection (c) if  
 10 section 408(p)(2)(C)(i) was applied by substituting  
 11 ‘50 employees’ for ‘100 employees’, subsection (a)  
 12 shall be applied by substituting ‘100 percent’ for ‘50  
 13 percent’.”.

14 (b) ADDITIONAL CREDIT FOR EMPLOYER CONTRIBU-  
 15 TIONS BY CERTAIN SMALL EMPLOYERS.—Section 45E of  
 16 such Code is amended by adding at the end the following  
 17 new subsection:

18 “(f) ADDITIONAL CREDIT FOR EMPLOYER CON-  
 19 TRIBUTIONS BY CERTAIN ELIGIBLE EMPLOYERS.—

20 “(1) IN GENERAL.—In the case of an eligible  
 21 employer, the credit allowed for the taxable year  
 22 under subsection (a) (determined without regard to  
 23 this subsection) shall be increased by an amount  
 24 equal to the applicable percentage of employer con-  
 25 tributions (other than any elective deferrals (as de-  
 26 fined in section 402(g)(3))) by the employer to an



1 eligible employer plan (other than a defined benefit  
2 plan (as defined in section 414(j))).

3 “(2) LIMITATIONS.—

4 “(A) DOLLAR LIMITATION.—The amount  
5 determined under paragraph (1) (before the ap-  
6 plication of subparagraph (B)) with respect to  
7 any employee of the employer shall not exceed  
8 \$1,000.

9 “(B) CREDIT PHASE-IN.—In the case of  
10 any eligible employer which had for the pre-  
11 ceding taxable year more than 50 employees,  
12 the amount determined under paragraph (1)  
13 (without regard to this subparagraph) shall be  
14 reduced by an amount equal to the product  
15 of—

16 “(i) the amount otherwise so deter-  
17 mined under paragraph (1), multiplied by

18 “(ii) a percentage equal to 2 percent-  
19 age points for each employee of the em-  
20 ployer for the preceding taxable year in ex-  
21 cess of 50 employees.

22 “(3) APPLICABLE PERCENTAGE.—For purposes  
23 of this section, the applicable percentage for the tax-  
24 able year during which the eligible employer plan is  
25 established shall be 100 percent, and for taxable

1 years thereafter shall be determined under the fol-  
 2 lowing table:

**“In the case of the following taxable year beginning after the taxable year during which plan is es-  
 tablished: The applicable percentage shall be:**

1st .....	100%
2nd .....	75%
3rd .....	50%
4th .....	25%
Any taxable year thereafter .....	0%

3 “(4) DETERMINATION OF ELIGIBLE EMPLOYER;  
 4 NUMBER OF EMPLOYEES.—For purposes of this sub-  
 5 section, whether an employer is an eligible employer  
 6 and the number of employees of an employer shall  
 7 be determined under the rules of subsection (c), ex-  
 8 cept that paragraph (2) thereof shall only apply to  
 9 the taxable year during which the eligible employer  
 10 plan to which this section applies is established.”.

11 (c) DISALLOWANCE OF DEDUCTION.—Section  
 12 45E(e)(2) of such Code is amended to read as follows:

13 “(2) DISALLOWANCE OF DEDUCTION.—No de-  
 14 duction shall be allowed—

15 “(A) for that portion of the qualified start-  
 16 up costs paid or incurred for the taxable year  
 17 which is equal to so much of the portion of the  
 18 credit determined under subsection (a) as is  
 19 properly allocable to such costs, and

20 “(B) for that portion of the employer con-  
 21 tributions by the employer for the taxable year

1           which is equal to so much of the credit increase  
2           determined under subsection (f) as is properly  
3           allocable to such contributions.”.

4           (d) **EFFECTIVE DATE.**—The amendments made by  
5 this section shall apply to taxable years beginning after  
6 December 31, 2020.

7 **SEC. 103. SIMPLIFICATION AND INCREASE IN SAVER’S**  
8 **CREDIT.**

9           (a) **IN GENERAL.**—Section 25B(a) of the Internal  
10 Revenue Code of 1986 is amended by striking “the appli-  
11 cable percentage” and all that follows through “\$2,000”  
12 and inserting the following: “50 percent of so much of the  
13 qualified retirement savings contributions of the eligible  
14 individual for the taxable year as does not exceed \$3,000”.

15           (b) **INCOME LIMITATION.**—Section 25B(b) of such  
16 Code is amended to read as follows:

17           “(b) **INCOME LIMITATION.**—

18                   “(1) **IN GENERAL.**—The amount allowable as a  
19 credit under subsection (a) for any taxable year (de-  
20 termined without regard to this subsection) shall be  
21 reduced (but not below zero) by an amount which  
22 bears the same ratio to the amount so allowable (as  
23 so determined) as—

1           “(A) the amount by which the taxpayer’s  
2           adjusted gross income exceeds the applicable  
3           threshold, bears to

4           “(B) \$20,000.

5           “(2) APPLICABLE THRESHOLD.—For purposes  
6           of this subsection, the applicable threshold is—

7           “(A) except as provided in subparagraph  
8           (B) or (C), \$40,000,

9           “(B) in the case of a joint return, 200 per-  
10          cent of the amount in effect for the taxable year  
11          under subparagraph (A), or

12          “(C) in the case of a head of household,  
13          150 percent of the amount in effect for the tax-  
14          able year under subparagraph (A).

15          “(3) INFLATION ADJUSTMENT.—In the case of  
16          any taxable year beginning in a calendar year after  
17          2021, the \$40,000 dollar amount in paragraph (2)  
18          shall be increased by an amount equal to—

19          “(A) such dollar amount, multiplied by

20          “(B) the cost-of-living adjustment deter-  
21          mined under section 1(f)(3) for the calendar  
22          year in which the taxable year begins, deter-  
23          mined by substituting ‘calendar year 2020’ for  
24          ‘calendar year 2016’ in subparagraph (A)(ii)  
25          thereof.

1 Any increase determined under the preceding sen-  
 2 tence shall be rounded to the nearest multiple of  
 3 \$500.”.

4 (c) SAVER’S CREDIT.—The heading for section 25B  
 5 of such Code is amended to read as follows: “**SAVER’S**  
 6 **CREDIT.**”.

7 (d) SAVER’S CREDIT PROMOTION.—

8 (1) IN GENERAL.—The Secretary of the Treas-  
 9 ury (or the Secretary’s delegate) shall take such  
 10 steps as the Secretary (or delegate) determines are  
 11 necessary and appropriate to increase public aware-  
 12 ness of the credit provided under section 25B of  
 13 such Code (as amended by this section).

14 (2) REPORT.—Not later than 1 year after the  
 15 date of the enactment of this Act, the Secretary (or  
 16 delegate) shall submit to Congress a report detailing  
 17 the steps taken under paragraph (1).

18 (e) CLERICAL AMENDMENT.—The table of sections  
 19 for subpart A of part IV of subchapter A of chapter 1  
 20 of such Code is amended by striking the item relating to  
 21 section 25B and inserting the following new item:

“Sec. 25B. Saver’s credit.”.

22 (f) EFFECTIVE DATE.—The amendments made by  
 23 this section shall apply to taxable years beginning after  
 24 the date of the enactment of this Act.

1 **SEC. 104. ENHANCEMENT OF 403(b) PLANS.**

2 (a) IN GENERAL.—

3 (1) PERMITTED INVESTMENTS.—Section  
4 403(b)(7)(A) of the Internal Revenue Code of 1986  
5 is amended by striking “if the amounts are to be in-  
6 vested in regulated investment company stock to be  
7 held in that custodial account” and inserting “if the  
8 amounts are to be held in that custodial account and  
9 invested in regulated investment company stock or a  
10 group trust intended to satisfy the requirements of  
11 Internal Revenue Service Revenue Ruling 81–100  
12 (or any successor guidance)”.

13 (2) CONFORMING AMENDMENT.—The heading  
14 of paragraph (7) of section 403(b) of such Code is  
15 amended by striking “FOR REGULATED INVESTMENT  
16 COMPANY STOCK”.

17 (3) EFFECTIVE DATE.—The amendments made  
18 by this subsection shall apply to amounts invested  
19 after December 31, 2020.

20 (b) AMENDMENTS TO THE INVESTMENT COMPANY  
21 ACT OF 1940.—Section 3(c)(11) of the Investment Com-  
22 pany Act of 1940 (15 U.S.C. 80a–3(c)(11)) is amended  
23 to read as follows:

24 “(11) Any—

25 “(A) employee’s stock bonus, pension, or  
26 profit-sharing trust which meets the require-

1           ments for qualification under section 401 of the  
2           Internal Revenue Code of 1986;

3           “(B) custodial account meeting the re-  
4           quirements of section 403(b)(7) of such Code;

5           “(C) governmental plan described in sec-  
6           tion 3(a)(2)(C) of the Securities Act of 1933;

7           “(D) collective trust fund maintained by a  
8           bank consisting solely of assets of one or  
9           more—

10           “(i) trusts described in subparagraph  
11           (A);

12           “(ii) government plans described in  
13           subparagraph (C);

14           “(iii) church plans, companies, or ac-  
15           counts that are excluded from the defini-  
16           tion of an investment company under para-  
17           graph (14) of this subsection; or

18           “(iv) plans which meet the require-  
19           ments of section 403(b) of the Internal  
20           Revenue Code of 1986 if—

21           “(I) such plan is subject to title  
22           I of the Employee Retirement Income  
23           Security Act of 1974 (29 U.S.C. 1001  
24           et seq.);

1                   “(II) any employer making such  
2                   plan available agrees to serve as a fi-  
3                   duciary for the plan with respect to  
4                   the selection of the plan’s investments  
5                   among which participants can choose;  
6                   or

7                   “(III) such plan is a govern-  
8                   mental plan (as defined in section  
9                   414(d) of such Code); or

10                  “(E) separate account the assets of which  
11                  are derived solely from—

12                   “(i) contributions under pension or  
13                   profit-sharing plans which meet the re-  
14                   quirements of section 401 of the Internal  
15                   Revenue Code of 1986 or the requirements  
16                   for deduction of the employer’s contribu-  
17                   tion under section 404(a)(2) of such Code;

18                   “(ii) contributions under govern-  
19                   mental plans in connection with which in-  
20                   terests, participations, or securities are ex-  
21                   empted from the registration provisions of  
22                   section 5 of the Securities Act of 1933 by  
23                   section 3(a)(2)(C) of such Act;



1 “(iii) advances made by an insurance  
 2 company in connection with the operation  
 3 of such separate account; and

4 “(iv) contributions to a plan described  
 5 in subparagraph (D)(iv).”.

6 (c) AMENDMENTS TO THE SECURITIES ACT OF  
 7 1933.—Section 3(a)(2) of the Securities Act of 1933 (15  
 8 U.S.C. 77c(a)(2)) is amended—

9 (1) by striking “or (D)” and inserting “(D) a  
 10 plan which meets the requirements of section 403(b)  
 11 of such Code if (i) such plan is subject to title I of  
 12 the Employee Retirement Income Security Act of  
 13 1974 (29 U.S.C. 1001 et seq.), (ii) any employer  
 14 making such plan available agrees to serve as a fidu-  
 15 ciary for the plan with respect to the selection of the  
 16 plan’s investments among which participants can  
 17 choose, or (iii) such plan is a governmental plan (as  
 18 defined in section 414(d) of such Code); or (E)”;

19 (2) by striking “(C), or (D)” and inserting  
 20 “(C), (D), or (E)”; and

21 (3) by striking “(iii) which is a plan funded”  
 22 and inserting “(iii) in the case of a plan not de-  
 23 scribed in subparagraph (D), which is a plan fund-  
 24 ed”.

1 (d) AMENDMENTS TO THE SECURITIES EXCHANGE  
 2 ACT OF 1934.—Section 3(a)(12)(C) of the Securities Ex-  
 3 change Act of 1934 (15 U.S.C. 78c(a)(12)(C)) is amend-  
 4 ed—

5 (1) by striking “or (iv)” and inserting “(iv) a  
 6 plan which meets the requirements of section 403(b)  
 7 of such Code if (I) such plan is subject to title I of  
 8 the Employee Retirement Income Security Act of  
 9 1974 (29 U.S.C. 1001 et seq.), (II) any employer  
 10 making such plan available agrees to serve as a fidu-  
 11 ciary for the plan with respect to the selection of the  
 12 plan’s investments among which participants can  
 13 choose, or (III) such plan is a governmental plan (as  
 14 defined in section 414(d) of such Code), or (v)”;

15 (2) by striking “(ii), or (iii)” and inserting  
 16 “(ii), (iii), or (iv)”;

17 (3) by striking “(II) is a plan funded” and in-  
 18 serting “(II) in the case of a plan not described in  
 19 clause (iv), is a plan funded”.

20 **SEC. 105. INCREASE IN AGE FOR REQUIRED BEGINNING**  
 21 **DATE FOR MANDATORY DISTRIBUTIONS.**

22 (a) IN GENERAL.—Section 401(a)(9)(C)(i)(I) of the  
 23 Internal Revenue Code of 1986 is amended by striking  
 24 “age 72” and inserting “age 75”.

1 (b) SPOUSE BENEFICIARIES; SPECIAL RULE FOR  
 2 OWNERS.—Subparagraphs (B)(iv)(I) and (C)(ii)(I) of sec-  
 3 tion 401(a)(9) of such Code are each amended by striking  
 4 “age 72” and inserting “age 75”.

5 (c) CONFORMING AMENDMENTS.—The last sentence  
 6 of section 408(b) of such Code is amended by striking  
 7 “age 72” and inserting “age 75”.

8 (d) EFFECTIVE DATE.—The amendments made by  
 9 this section shall apply to distributions required to be  
 10 made after December 31, 2020, with respect to individuals  
 11 who attain age 72 after such date.

12 **SEC. 106. DEFERRAL OF TAX FOR CERTAIN SALES OF EM-**  
 13 **PLOYER STOCK TO EMPLOYEE STOCK OWN-**  
 14 **ERSHIP PLAN SPONSORED BY S CORPORA-**  
 15 **TION.**

16 (a) IN GENERAL.—Section 1042(c)(1)(A) of the In-  
 17 ternal Revenue Code of 1986 is amended by striking “do-  
 18 mestic C corporation” and inserting “domestic corpora-  
 19 tion”.

20 (b) EFFECTIVE DATE.—The amendment made by  
 21 this section shall apply to sales after the date of the enact-  
 22 ment of this Act.

1 **SEC. 107. INDEXING IRA CATCH-UP LIMIT.**

2 (a) IN GENERAL.—Subparagraph (C) of section  
3 219(b)(5) of the Internal Revenue Code of 1986 is amend-  
4 ed by adding at the end the following new clause:

5 “(iii) INDEXING OF CATCH-UP LIMITA-  
6 TION.—In the case of any taxable year be-  
7 ginning in a calendar year after 2021, the  
8 \$1,000 amount under subparagraph (B)(ii)  
9 shall be increased by an amount equal to—

10 “(I) such dollar amount, multi-  
11 plied by

12 “(II) the cost-of-living adjust-  
13 ment determined under section 1(f)(3)  
14 for the calendar year in which the tax-  
15 able year begins, determined by sub-  
16 stituting ‘calendar year 2020’ for ‘cal-  
17 endar year 2016’ in subparagraph  
18 (A)(ii) thereof.

19 If any amount after adjustment under the  
20 preceding sentence is not a multiple of  
21 \$100, such amount shall be rounded to the  
22 next lower multiple of \$100.”.

23 (b) EFFECTIVE DATE.—The amendments made by  
24 this section shall apply to taxable years beginning after  
25 December 31, 2021.

1 **SEC. 108. HIGHER CATCH-UP LIMIT TO APPLY AT AGE 60.**

2 (a) IN GENERAL.—

3 (1) PLANS OTHER THAN SIMPLE PLANS.—Sec-  
4 tion 414(v)(2)(B)(i) of the Internal Revenue Code of  
5 1986 is amended by inserting the following before  
6 the period: “(\$10,000, in the case of an eligible par-  
7 ticipant who has attained age 60 before the close of  
8 the taxable year)”.

9 (2) SIMPLE PLANS.—Section 414(v)(2)(B)(ii) of  
10 such Code is amended by inserting the following be-  
11 fore the period: “(\$5,000, in the case of an eligible  
12 participant who has attained age 60 before the close  
13 of the taxable year)”.

14 (b) COST-OF-LIVING ADJUSTMENTS.—Subparagraph  
15 (C) of section 414(v)(2) of such Code is amended by add-  
16 ing at the end the following: “In the case of a year begin-  
17 ning after December 31, 2021, the Secretary shall adjust  
18 annually the \$10,000 amount in subparagraph (B)(i) and  
19 the \$5,000 amount in subparagraph (B)(ii) for increases  
20 in the cost-of-living at the same time and in the same  
21 manner as adjustments under the preceding sentence; ex-  
22 cept that the base period taken into account shall be the  
23 calendar quarter beginning July 1, 2020.”.

24 (c) EFFECTIVE DATE.—The amendments made by  
25 this section shall apply to years beginning after December  
26 31, 2020.

1 **SEC. 109. MULTIPLE EMPLOYER 403(b) PLANS.**

2 (a) IN GENERAL.—Section 403(b) of the Internal  
3 Revenue Code of 1986 is amended by adding at the end  
4 the following new paragraph:

5 “(15) MULTIPLE EMPLOYER PLANS.—

6 “(A) IN GENERAL.—Except in the case of  
7 a church plan, this subsection shall not be  
8 treated as failing to apply to an annuity con-  
9 tract solely by reason of such contract being  
10 purchased under a plan maintained by more  
11 than 1 employer.

12 “(B) TREATMENT OF EMPLOYERS FAILING  
13 TO MEET REQUIREMENTS OF PLAN.—

14 “(i) IN GENERAL.—In the case of a  
15 plan maintained by more than 1 employer,  
16 this subsection shall not be treated as fail-  
17 ing to apply to an annuity contract held  
18 under such plan merely because of one or  
19 more employers failing to meet the require-  
20 ments of this subsection if such plan satis-  
21 fies rules similar to the rules of section  
22 413(e)(2) with respect to any such em-  
23 ployer failure.

24 “(ii) ADDITIONAL REQUIREMENTS IN  
25 CASE OF NON-GOVERNMENTAL PLANS.—A  
26 plan shall not be treated as meeting the re-

1                    requirements of this subparagraph unless the  
 2                    plan meets the requirements of subpara-  
 3                    graph (A) or (B) of section 413(e)(1), ex-  
 4                    cept in the case of a multiple employer  
 5                    plan maintained solely by any of the fol-  
 6                    lowing: A State, a political subdivision of a  
 7                    State, or an agency or instrumentality of  
 8                    any one or more of the foregoing.”.

9            (b) ANNUAL REGISTRATION FOR 403(b) MULTIPLE  
 10 EMPLOYER PLAN.—Section 6057 of such Code is amend-  
 11 ed by redesignating subsection (g) as subsection (h) and  
 12 by inserting after subsection (f) the following new sub-  
 13 section:

14            “(g) 403(b) MULTIPLE EMPLOYER PLANS TREATED  
 15 AS ONE PLAN.—In the case of annuity contracts to which  
 16 this section applies and to which section 403(b) applies  
 17 by reason of the plan under which such contracts are pur-  
 18 chased meeting the requirements of paragraph (15) there-  
 19 of, such plan shall be treated as a single plan for purposes  
 20 of this section.”.

21            (c) ANNUAL INFORMATION RETURNS FOR 403(b)  
 22 MULTIPLE EMPLOYER PLAN.—Section 6058 of the Inter-  
 23 nal Revenue Code of 1986 is amended by redesignating  
 24 subsection (f) as subsection (g) and by inserting after sub-  
 25 section (e) the following new subsection:

1       “(f) 403(b) MULTIPLE EMPLOYER PLANS TREATED  
 2 AS ONE PLAN.—In the case of annuity contracts to which  
 3 this section applies and to which section 403(b) applies  
 4 by reason of the plan under which such contracts are pur-  
 5 chased meeting the requirements of paragraph (15) there-  
 6 of, such plan shall be treated as a single plan for purposes  
 7 of this section.”.

8       (d) AMENDMENTS TO EMPLOYEE RETIREMENT IN-  
 9 COME SECURITY ACT OF 1974.—

10           (1) TREATED AS POOLED EMPLOYER PLAN.—

11               (A) IN GENERAL.—Section 3(43)(A) of the  
 12 Employee Retirement Income Security Act of  
 13 1974 is amended—

14                   (i) in clause (ii), by striking “section  
 15 501(a) of such Code or” and inserting  
 16 “501(a) of such Code, a plan that consists  
 17 of contracts described in section 403(b) of  
 18 such Code, or”; and

19                   (ii) in the flush text at the end, by  
 20 striking “the plan.” and inserting “the  
 21 plan, but such term shall include any pro-  
 22 gram (other than a governmental plan)  
 23 maintained for the benefit of the employees  
 24 of more than 1 employer that consists of  
 25 contracts described in section 403(b) of



1           such Code and that meets the require-  
 2           ments of subparagraph (A) or (B) of sec-  
 3           tion 413(e)(1) of such Code.”.

4           (B) CONFORMING AMENDMENTS.—Sec-  
 5           tions 3(43)(B)(v)(II) and 3(44)(A)(i)(I) of such  
 6           Act are each amended by striking “section  
 7           401(a) of such Code or” and inserting “401(a)  
 8           of such Code, a plan that consists of contracts  
 9           described in section 403(b) of such Code, or”.

10          (2) FIDUCIARIES.—Section 3(43)(B)(ii) of such  
 11          Act is amended—

12               (A) by striking “trustees meeting the re-  
 13               quirements of section 408(a)(2) of the Internal  
 14               Revenue Code of 1986” and inserting “trustees  
 15               (or other fiduciaries in the case of a plan that  
 16               consists of contracts described in section 403(b)  
 17               of the Internal Revenue Code of 1986) meeting  
 18               the requirements of section 408(a)(2) of such  
 19               Code”, and

20               (B) by striking “holding” and inserting  
 21               “holding (or causing to be held under the terms  
 22               of a plan consisting of such contracts)”.

23          (e) REGULATIONS RELATING TO PLAN TERMI-  
 24          NATION.—The Secretary of the Treasury (or the Sec-  
 25          retary’s designee) shall prescribe such regulations as may

1 be necessary to clarify the treatment of a plan termination  
2 by an employer in the case of plans to which section  
3 403(b)(15) of such Code applies.

4 (f) MODIFICATION OF MODEL PLAN LANGUAGE.—

5 (1) PLAN NOTIFICATIONS.—The Secretary of  
6 the Treasury (or the Secretary's designee) shall  
7 modify the model plan language published under sec-  
8 tion 413(e)(5) of the Internal Revenue Code of 1986  
9 to include language which notifies participating em-  
10 ployers which are exempt from tax under section  
11 501(a) of such Code that the plan is subject to the  
12 Employee Retirement Income Security Act of 1974  
13 and that such employer is a plan sponsor with re-  
14 spect to its employees participating in the multiple  
15 employer plan and, as such, has certain fiduciary  
16 duties with respect to the plan and to its employees.

17 (2) MODEL PLANS FOR MULTIPLE EMPLOYER  
18 403(b) NON-GOVERNMENTAL PLANS.—For plans to  
19 which section 403(b)(15)(A) of the Internal Revenue  
20 Code of 1986 applies (other than a plan maintained  
21 for its employees by a State, a political subdivision  
22 of a State, or an agency or instrumentality of any  
23 one or more of the foregoing) the Secretary shall  
24 publish model plan language similar to model plan

1 language published under section 413(e)(5) of such  
2 Code.

3 (g) NO INFERENCE WITH RESPECT TO CHURCH  
4 PLANS.—Regarding any application of section 403(b) of  
5 the Internal Revenue Code of 1986 to an annuity contract  
6 purchased under a church plan (as defined in section  
7 414(e) of such Code) maintained by more than 1 em-  
8 ployer, or to any application of rules similar to section  
9 413(e) of such Code to such a plan, no inference shall  
10 be made from section 403(b)(15)(A) of such Code (as  
11 added by this Act) not applying to such plans.

12 (h) EFFECTIVE DATE.—

13 (1) IN GENERAL.—The amendments made by  
14 this section shall apply to plan years beginning after  
15 December 31, 2020.

16 (2) RULE OF CONSTRUCTION.—Nothing in the  
17 amendments made by subsection (a) shall be con-  
18 strued as limiting the authority of the Secretary of  
19 the Treasury or the Secretary's delegate (determined  
20 without regard to such amendment) to provide for  
21 the proper treatment of a failure to meet any re-  
22 quirement applicable under such Code with respect  
23 to one employer (and its employees) in the case of  
24 a plan to which section 403(b)(15) applies.

1 **SEC. 110. TREATMENT OF STUDENT LOAN PAYMENTS AS**  
2 **ELECTIVE DEFERRALS FOR PURPOSES OF**  
3 **MATCHING CONTRIBUTIONS.**

4 (a) IN GENERAL.—Subparagraph (A) of section  
5 401(m)(4) of the Internal Revenue Code of 1986 is  
6 amended by striking “and” at the end of clause (i), by  
7 striking the period at the end of clause (ii) and inserting  
8 “, and”, and by adding at the end the following new  
9 clause:

10 “(iii) subject to the requirements of  
11 paragraph (13), any employer contribution  
12 made to a defined contribution plan on be-  
13 half of an employee on account of a quali-  
14 fied student loan payment.”.

15 (b) QUALIFIED STUDENT LOAN PAYMENT.—Para-  
16 graph (4) of section 401(m) of such Code is amended by  
17 adding at the end the following new subparagraph:

18 “(D) QUALIFIED STUDENT LOAN PAY-  
19 MENT.—The term ‘qualified student loan pay-  
20 ment’ means a payment made by an employee  
21 in repayment of a qualified education loan (as  
22 defined section 221(d)(1)) incurred by the em-  
23 ployee to pay qualified higher education ex-  
24 penses, but only—

1 “(i) to the extent such payments in  
 2 the aggregate for the year do not exceed  
 3 an amount equal to—

4 “(I) the limitation applicable  
 5 under section 402(g) for the year (or,  
 6 if lesser, the employee’s compensation  
 7 (as defined in section 415(c)(3)) for  
 8 the year), reduced by

9 “(II) the elective deferrals made  
 10 by the employee for such year, and

11 “(ii) if the employee certifies to the  
 12 employer making the matching contribu-  
 13 tion under this paragraph that such pay-  
 14 ment has been made on such loan.

15 For purposes of this subparagraph, the term  
 16 ‘qualified higher education expenses’ means the  
 17 cost of attendance (as defined in section 472 of  
 18 the Higher Education Act of 1965, as in effect  
 19 on the day before the date of the enactment of  
 20 the Taxpayer Relief Act of 1997) at an eligible  
 21 educational institution (as defined in section  
 22 221(d)(2)).”.

23 (c) MATCHING CONTRIBUTIONS FOR QUALIFIED  
 24 STUDENT LOAN PAYMENTS.—Subsection (m) of section  
 25 401 of such Code is amended by redesignating paragraph

1 (13) as paragraph (14), and by inserting after paragraph  
2 (12) the following new paragraph:

3 “(13) MATCHING CONTRIBUTIONS FOR QUALI-  
4 FIED STUDENT LOAN PAYMENTS.—

5 “(A) IN GENERAL.—For purposes of para-  
6 graph (4)(A)(iii), an employer contribution  
7 made to a defined contribution plan on account  
8 of a qualified student loan payment shall be  
9 treated as a matching contribution for purposes  
10 of this title if—

11 “(i) the plan provides matching con-  
12 tributions on account of elective deferrals  
13 at the same rate as contributions on ac-  
14 count of qualified student loan payments,

15 “(ii) the plan provides matching con-  
16 tributions on account of qualified student  
17 loan payments only on behalf of employees  
18 otherwise eligible to receive matching con-  
19 tributions on account of elective deferrals,

20 “(iii) under the plan, all employees el-  
21 igible to receive matching contributions on  
22 account of elective deferrals are eligible to  
23 receive matching contributions on account  
24 of qualified student loan payments, and

1 “(iv) the plan provides that matching  
 2 contributions on account of qualified stu-  
 3 dent loan payments vest in the same man-  
 4 ner as matching contributions on account  
 5 of elective deferrals.

6 “(B) TREATMENT FOR PURPOSES OF NON-  
 7 DISCRIMINATION RULES, ETC.—

8 “(i) NONDISCRIMINATION RULES.—  
 9 For purposes of subparagraph (A)(iii),  
 10 subsection (a)(4), and section 410(b),  
 11 matching contributions described in para-  
 12 graph (4)(A)(iii) shall not fail to be treated  
 13 as available to an employee solely because  
 14 such employee does not have debt incurred  
 15 under a qualified education loan (as de-  
 16 fined in section 221(d)(1)).

17 “(ii) STUDENT LOAN PAYMENTS NOT  
 18 TREATED AS PLAN CONTRIBUTION.—Ex-  
 19 cept as provided in clause (iii), a qualified  
 20 student loan payment shall not be treated  
 21 as a contribution to a plan under this title.

22 “(iii) MATCHING CONTRIBUTION  
 23 RULES.—Solely for purposes of meeting  
 24 the requirements of paragraph (11)(B) or  
 25 (12) of this subsection, or paragraph

1           (11)(B)(i)(II), (12)(B), or (13)(D) of sub-  
 2           section (k), a plan may treat a qualified  
 3           student loan payment as an elective defer-  
 4           ral or an elective contribution, whichever is  
 5           applicable.”.

6           (d) SIMPLE RETIREMENT ACCOUNTS.—Paragraph  
 7           (2) of section 408(p) of such Code is amended by adding  
 8           at the end the following new subparagraph:

9                   “(F) MATCHING CONTRIBUTIONS FOR  
 10           QUALIFIED STUDENT LOAN PAYMENTS.—

11                   “(i) IN GENERAL.—Subject to the  
 12           rules of clause (iii), an arrangement shall  
 13           not fail to be treated as meeting the re-  
 14           quirements of subparagraph (A)(iii) solely  
 15           because under the arrangement, solely for  
 16           purposes of such subparagraph, qualified  
 17           student loan payments are treated as  
 18           amounts elected by the employee under  
 19           subparagraph (A)(i)(I) to the extent such  
 20           payments do not exceed—

21                   “(I) the applicable dollar amount  
 22           under subparagraph (E) (after appli-  
 23           cation of section 414(v)) for the year  
 24           (or, if lesser, the employee’s com-



1                   pensation (as defined in section  
2                   415(c)(3)) for the year), reduced by

3                   “(II) any other amounts elected  
4                   by the employee under subparagraph  
5                   (A)(i)(I) for the year.

6                   “(ii) QUALIFIED STUDENT LOAN PAY-  
7                   MENT.—For purposes of this subpara-  
8                   graph—

9                   “(I) IN GENERAL.—The term  
10                  ‘qualified student loan payment’  
11                  means a payment made by an em-  
12                  ployee in repayment of a qualified  
13                  education loan (as defined in section  
14                  221(d)(1)) incurred by the employee  
15                  to pay qualified higher education ex-  
16                  penses, but only if the employee cer-  
17                  tifies to the employer making the  
18                  matching contribution that such pay-  
19                  ment has been made on such a loan.

20                  “(II) QUALIFIED HIGHER EDU-  
21                  CATION EXPENSES.—The term ‘quali-  
22                  fied higher education expenses’ has  
23                  the same meaning as when used in  
24                  section 401(m)(4)(D).

1 “(iii) APPLICABLE RULES.—Clause (i)  
 2 shall apply to an arrangement only if,  
 3 under the arrangement—

4 “(I) matching contributions on  
 5 account of qualified student loan pay-  
 6 ments are provided only on behalf of  
 7 employees otherwise eligible to elect  
 8 contributions under subparagraph  
 9 (A)(i)(I), and

10 “(II) all employees otherwise eli-  
 11 gible to participate in the arrange-  
 12 ment are eligible to receive matching  
 13 contributions on account of qualified  
 14 student loan payments.”.

15 (e) 403(b) PLANS.—Subparagraph (A) of section  
 16 403(b)(12) of such Code is amended by adding at the end  
 17 the following: “The fact that the employer offers matching  
 18 contributions on account of qualified student loan pay-  
 19 ments as described in section 401(m)(13) shall not be  
 20 taken into account in determining whether the arrange-  
 21 ment satisfies the requirements of clause (ii) (and any reg-  
 22 ulation thereunder).”.

23 (f) 457(b) PLANS.—Subsection (b) of section 457 of  
 24 such Code is amended by adding at the end the following:  
 25 “A plan which is established and maintained by an em-

1   ployer which is described in subsection (e)(1)(A) shall not  
2   be treated as failing to meet the requirements of this sub-  
3   section solely because the plan, or another plan main-  
4   tained by the employer which meets the requirements of  
5   section 401(a), provides for matching contributions on ac-  
6   count of qualified student loan payments as described in  
7   section 401(m)(13).”.

8       (g) REGULATORY AUTHORITY.—The Secretary shall  
9   prescribe regulations for purposes of implementing the  
10  amendments made by this section, including regulations—

11       (1) permitting a plan to make matching con-  
12   tributions for qualified student loan payments, as  
13   defined in sections 401(m)(4)(D) and 408(p)(2)(F)  
14   of the Internal Revenue Code of 1986, as added by  
15   this section, at a different frequency than matching  
16   contributions are otherwise made under the plan,  
17   provided that the frequency is not less than annu-  
18   ally;

19       (2) permitting employers to establish reasonable  
20   procedures to claim matching contributions for such  
21   qualified student loan payments under the plan, in-  
22   cluding an annual deadline (not earlier than 3  
23   months after the close of each plan year) by which  
24   a claim must be made; and

1           (3) promulgating model amendments which  
 2           plans may adopt to implement matching contribu-  
 3           tions on such qualified student loan payments for  
 4           purposes of sections 401(m), 408(p), 403(b), and  
 5           457(b) of the Internal Revenue Code of 1986.

6           (h) EFFECTIVE DATE.—The amendments made by  
 7           this section shall apply to contributions made for years  
 8           beginning after December 31, 2020.

9   **SEC. 111. APPLICATION OF CREDIT FOR SMALL EMPLOYER**  
 10                   **PENSION PLAN STARTUP COSTS TO EMPLOY-**  
 11                   **ERS WHICH JOIN AN EXISTING PLAN.**

12           (a) IN GENERAL.—Section 45E(d)(3)(A) of the In-  
 13           ternal Revenue Code of 1986 is amended by striking “ef-  
 14           fective” and inserting “effective with respect to the eligible  
 15           employer”.

16           (b) EFFECTIVE DATE.—The amendment made by  
 17           this section shall apply to eligible employer plans which  
 18           become effective with respect to the eligible employer after  
 19           the date of the enactment of this Act.

20   **SEC. 112. MILITARY SPOUSE RETIREMENT PLAN ELIGI-**  
 21                   **BILITY CREDIT FOR SMALL EMPLOYERS.**

22           (a) IN GENERAL.—Subpart D of part IV of sub-  
 23           chapter A of chapter 1 of the Internal Revenue Code of  
 24           1986 is amended by adding at the end the following new  
 25           section:

1 **“SEC. 45U. MILITARY SPOUSE RETIREMENT PLAN ELIGI-**  
2 **BILITY CREDIT FOR SMALL EMPLOYERS.**

3 “(a) IN GENERAL.—For purposes of section 38, in  
4 the case of any eligible small employer, the military spouse  
5 retirement plan eligibility credit determined under this  
6 section for any taxable year is an amount equal to the  
7 sum of—

8 “(1) \$250 with respect to each military spouse  
9 who is an employee of such employer and who is eli-  
10 gible to participate in an eligible defined contribu-  
11 tion plan of such employer at any time during such  
12 taxable year, plus

13 “(2) so much of the contributions made by such  
14 employer to all such plans with respect to such em-  
15 ployee during such taxable year as do not exceed  
16 \$250.

17 “(b) LIMITATION.—An individual shall only be taken  
18 into account as a military spouse under subsection (a) for  
19 the taxable year which includes the date on which such  
20 individual began participating in the eligible defined con-  
21 tribution plan of the employer and the 2 succeeding tax-  
22 able years.

23 “(c) ELIGIBLE SMALL EMPLOYER.—For purposes of  
24 this section—

1           “(1) IN GENERAL.—The term ‘eligible small  
2           employer’ means an eligible employer (as defined in  
3           section 408(p)(2)(C)(i)(I)).

4           “(2) APPLICATION OF 2-YEAR GRACE PERIOD.—  
5           A rule similar to the rule of section  
6           408(p)(2)(C)(i)(II) shall apply for purposes of this  
7           section.

8           “(d) MILITARY SPOUSE.—For purposes of this sec-  
9           tion—

10           “(1) IN GENERAL.—The term ‘military spouse’  
11           means, with respect to any employer, any individual  
12           who is married (within the meaning of section 7703  
13           as of the first date that the employee is employed by  
14           the employer) to an individual who is a member of  
15           the uniformed services (as defined section 101(a)(5)  
16           of title 10, United States Code). For purposes of  
17           this section, an employer may rely on an employee’s  
18           certification that such employee’s spouse is a mem-  
19           ber of the uniformed services if such certification  
20           provides the name, rank, and service branch of such  
21           spouse.

22           “(2) EXCLUSION OF HIGHLY COMPENSATED  
23           EMPLOYEES.—With respect to any employer, the  
24           term ‘military spouse’ shall not include any indi-  
25           vidual if such individual is a highly compensated em-

1        ployee of such employer (within the meaning of sec-  
2        tion 414(q)).

3        “(e) ELIGIBLE DEFINED CONTRIBUTION PLAN.—

4        For purposes of this section, the term ‘eligible defined con-  
5        tribution plan’ means, with respect to any eligible small  
6        employer, any defined contribution plan (as defined in sec-  
7        tion 414(i)) of such employer if, under the terms of such  
8        plan—

9                “(1) military spouses employed by such em-  
10        ployer are eligible to participate in such plan not  
11        later than the date which is 2 months after the date  
12        on which such individual begins employment with  
13        such employer, and

14               “(2) military spouses who are eligible to partici-  
15        pate in such plan—

16                “(A) are immediately eligible to receive an  
17        amount of employer contributions under such  
18        plan which is not less the amount of such con-  
19        tributions that a similarly situated participant  
20        who is not a military spouse would be eligible  
21        to receive under such plan after 2 years of serv-  
22        ice, and

23                “(B) immediately have a nonforfeitable  
24        right to the employee’s accrued benefit derived  
25        from employer contributions under such plan.

1       “(f) AGGREGATION RULE.—All persons treated as a  
2 single employer under subsection (b), (c), (m), or (o) of  
3 section 414 shall be treated as one employer for purposes  
4 of this section.”.

5       (b) CREDIT ALLOWED AS PART OF GENERAL BUSI-  
6 NESS CREDIT.—Section 38(b) of such Code is amended  
7 by striking “plus” at the end of paragraph (32), by strik-  
8 ing the period at the end of paragraph (33) and inserting  
9 “, plus”, and by adding at the end the following new para-  
10 graph:

11               “(34) in the case of an eligible small employer  
12       (as defined in section 45U(c)), the military spouse  
13       retirement plan eligibility credit determined under  
14       section 45U(a).”.

15       (c) CLERICAL AMENDMENT.—The table of sections  
16 for subpart D of part IV of subchapter A of chapter 1  
17 of such Code is amended by adding at the end the fol-  
18 lowing new item:

“Sec. 45U. Military spouse retirement plan eligibility credit for small employ-  
ers.”.

19       (d) EFFECTIVE DATE.—The amendments made by  
20 this section shall apply to taxable years beginning after  
21 the date of the enactment of this Act.



1   **SEC. 113. SMALL IMMEDIATE FINANCIAL INCENTIVES FOR**  
2                   **CONTRIBUTING TO A PLAN.**

3           (a) IN GENERAL.—Subparagraph (A) of section  
4 401(k)(4) of the Internal Revenue Code of 1986 is amend-  
5 ed by inserting “(other than a de minimis financial incen-  
6 tive)” after “any other benefit”.

7           (b) SECTION 403(b) PLANS.—Subparagraph (A) of  
8 section 403(b)(12) of such Code, as amended by the pre-  
9 ceding provisions of this Act, is further amended by add-  
10 ing at the end the following: “A plan shall not fail to sat-  
11 isfy clause (ii) solely by reason of offering a de minimis  
12 financial incentive to employees to elect to have the em-  
13 ployer make contributions pursuant to a salary reduction  
14 agreement.”.

15           (c) EXEMPTION FROM PROHIBITED TRANSACTION  
16 RULES.—Subsection (d) of section 4975 of such Code is  
17 amended by striking “or” at the end of paragraph (22),  
18 by striking the period at the end of paragraph (23) and  
19 inserting “, or”, and by adding at the end the following  
20 new paragraph:

21                   “(24) the provision of a de minimis financial in-  
22 centive described in section 401(k)(4)(A) or  
23 403(b)(12)(A).”.

24           (d) AMENDMENT OF EMPLOYEE RETIREMENT IN-  
25 COME SECURITY ACT OF 1974.—Subsection (b) of section  
26 408 of the Employee Retirement Income Security Act of

1 1974 (29 U.S.C. 1108(b)) is amended by adding at the  
2 end the following new paragraph:

3 “(21) The provision of a de minimis financial  
4 incentive described in section 401(k)(4)(A) or  
5 403(b)(12)(A) of the Internal Revenue Code of  
6 1986.”.

7 (e) EFFECTIVE DATE.—The amendments made by  
8 this section shall apply with respect to plan years begin-  
9 ning after the date of enactment of this Act.

10 **SEC. 114. SAFE HARBOR FOR CORRECTIONS OF EMPLOYEE**  
11 **ELECTIVE DEFERRAL FAILURES.**

12 (a) IN GENERAL.—Section 414 of the Internal Rev-  
13 enue Code of 1986 is amended by adding at the end the  
14 following new subsection:

15 “(aa) CORRECTING AUTOMATIC CONTRIBUTION ER-  
16 RORS.—

17 “(1) IN GENERAL.—Any plan or arrangement  
18 shall not fail to be treated as a plan described in  
19 sections 401(a), 403(b), 408, or 457(b), as applica-  
20 ble, solely by reason of a corrected error.

21 “(2) CORRECTED ERROR DEFINED.—For pur-  
22 poses of this subsection, the term ‘corrected error’  
23 means a reasonable administrative error in imple-  
24 menting an automatic enrollment or automatic esca-  
25 lation feature in accordance with the terms of an eli-

1 gible automatic contribution arrangement (as de-  
2 fined under subsection (w)(3)), provided that such  
3 implementation error—

4 “(A) is corrected by the date that is 9½  
5 months after the end of the plan year during  
6 which the failure occurred,

7 “(B) is corrected in a manner that is fa-  
8 vorable to the participant, and

9 “(C) is of a type which is so corrected for  
10 all similarly situated participants in a non-  
11 discriminatory manner.

12 Such correction may occur before or after the partic-  
13 ipant has terminated employment and may occur  
14 without regard to whether the error is identified by  
15 the Secretary.

16 “(3) REGULATIONS AND GUIDANCE FOR FAVOR-  
17 ABLE CORRECTION METHODS.—The Secretary shall,  
18 by regulations or other guidance of general applica-  
19 bility, specify the correction methods that are in a  
20 manner favorable to the participant for purposes of  
21 paragraph (2)(B).”.

22 (b) EFFECTIVE DATE.—The amendment made by  
23 this section shall apply with respect to any errors with  
24 respect to which the date referred to in section 414(aa)

1 (as added by this section) is after the date of enactment  
2 of this Act.

3 **SEC. 115. ONE-YEAR REDUCTION IN PERIOD OF SERVICE**  
4 **REQUIREMENT FOR LONG-TERM, PART-TIME**  
5 **WORKERS.**

6 (a) IN GENERAL.—Section 401(k)(2)(D)(ii) of the  
7 Internal Revenue Code of 1986 is amended by striking  
8 “3” and inserting “2”.

9 (b) EFFECTIVE DATE.—The amendment made by  
10 this section shall take effect as if included in the addition  
11 of section 401(k)(2)(D)(ii) of such Code by section 112  
12 of the Setting Every Community Up for Retirement En-  
13 hancement Act of 2019.

14 **SEC. 116. GOVERNMENTAL PENSION PLANS MAY INCLUDE**  
15 **CERTAIN FIREFIGHTERS, EMERGENCY MED-**  
16 **ICAL TECHNICIANS, AND PARAMEDICS.**

17 (a) INTERNAL REVENUE CODE OF 1986.—Section  
18 414(d) of the Internal Revenue Code of 1986 (relating to  
19 governmental plans) is amended by adding at the end the  
20 following: “The term ‘governmental plan’ also includes a  
21 plan which is established by a State or political subdivision  
22 thereof and maintained by a public safety agency (de-  
23 scribed in section 501(c) and exempt from taxation under  
24 section 501(a)), and all of the participants of which are  
25 employees of such agency who are emergency response

1 providers (defined in section 2 of the Homeland Security  
2 Act of 2002 (6 U.S.C. 101)), substantially all of whose  
3 services as emergency response providers are in the per-  
4 formance of firefighting services or out-of-hospital emer-  
5 gency medical services for a political subdivision of a State  
6 under a contract between such public safety agency and  
7 the political subdivision of a State.”.

8 (b) EMPLOYEE RETIREMENT INCOME SECURITY ACT  
9 OF 1974.—

10 (1) IN GENERAL.—Section 3(32) of the Em-  
11 ployee Retirement Income Security Act of 1974 (29  
12 U.S.C. 1002(32)) is amended by adding at the end  
13 the following: “. The term ‘governmental plan’ also  
14 includes a plan which is established by a State or  
15 political subdivision thereof and maintained by a  
16 public safety agency (described in section 501(c) of  
17 the Internal Revenue Code of 1986 and exempt from  
18 taxation under section 501(a) of such Code), and all  
19 of the participants of which are employees of such  
20 agency who are emergency response providers (de-  
21 fined in section 2 of the Homeland Security Act of  
22 2002 (6 U.S.C. 101)), substantially all of whose  
23 services as emergency response providers are in the  
24 performance of firefighting services or out-of-hos-  
25 pital emergency medical services for a political sub-

1 division of a State under a contract between such  
2 public safety agency and the political subdivision of  
3 a State.”.

4 (2) PBGC EXCEPTION.—Section 4021(b)(2) of  
5 such Act (29 U.S.C. 1321(b)(2)) is amended by  
6 striking “described in the last sentence of section  
7 3(32)” and inserting “described in either of the last  
8 two sentences of section 3(32).”.

9 (c) CONFORMING AMENDMENTS.—

10 (1) Section 414(h)(2) of the Internal Revenue  
11 Code of 1986 is amended by striking “described in  
12 the last sentence of section 414(d) (relating to plans  
13 of Indian tribal governments)” and inserting “de-  
14 scribed in either of the last two sentences of sub-  
15 section (d)”.

16 (2) Section 415(b)(2)(H)(i) of such Code is  
17 amended by adding at the end the following: “or a  
18 public safety agency described in the last sentence of  
19 section 414(d),”.

20 (3) Section 415(b)(2)(H)(ii)(I) of such Code is  
21 amended by striking “or any political subdivision”  
22 and inserting “any political subdivision, or a public  
23 safety agency described in the last sentence of sec-  
24 tion 414(d)”.

1           (4) Section 415(b)(10)(A) of such Code is  
 2           amended by striking “described in the last sentence  
 3           of section 414(d) (relating to plans of Indian tribal  
 4           governments)” and inserting “described in either of  
 5           the last two sentences of section 414(d)”.

6           (d) EFFECTIVE DATE.—The amendment made by  
 7           this section shall apply to plan years beginning after the  
 8           date of the enactment of this Act.

## 9           **TITLE II—PRESERVATION OF** 10           **INCOME**

### 11   **SEC. 201. REMOVE REQUIRED MINIMUM DISTRIBUTION** 12           **BARRIERS FOR LIFE ANNUITIES.**

13           (a) IN GENERAL.—Paragraph (9) of section 401(a)  
 14           of the Internal Revenue Code of 1986 is amended by add-  
 15           ing at the end the following new subparagraph:

16                   “(J) CERTAIN INCREASES IN PAYMENTS  
 17                   UNDER A COMMERCIAL ANNUITY.—Nothing in  
 18                   this section shall prohibit a commercial annuity  
 19                   (within the meaning of section 3405(e)(6)) that  
 20                   is issued in connection with any eligible retire-  
 21                   ment plan (within the meaning of section  
 22                   402(c)(8)(B), other than a defined benefit plan)  
 23                   from providing one or more of the following  
 24                   types of payments on or after the annuity start-  
 25                   ing date:

1 “(i) annuity payments that increase  
2 by a constant percentage, applied not less  
3 frequently than annually, at a rate that is  
4 less than 5 percent per year,

5 “(ii) a lump sum payment that—

6 “(I) results in a shortening of the  
7 payment period with respect to an an-  
8 nuity or a full or partial commutation  
9 of the future annuity payments, pro-  
10 vided that such lump sum is deter-  
11 mined using reasonable actuarial  
12 methods and assumptions, as deter-  
13 mined in good faith by the issuer of  
14 the contract, or

15 “(II) accelerates the receipt of  
16 annuity payments that are scheduled  
17 to be received within the ensuing 12  
18 months, regardless of whether such  
19 acceleration shortens the payment pe-  
20 riod with respect to the annuity, re-  
21 duces the dollar amount of benefits to  
22 be paid under the contract, or results  
23 in a suspension of annuity payments  
24 during the period being accelerated,



1 “(iii) an amount which is in the na-  
 2 ture of a dividend or similar distribution,  
 3 provided that the issuer of the contract de-  
 4 termines such amount based on a reason-  
 5 able comparison of the actuarial factors as-  
 6 sumed when calculating the initial annuity  
 7 payments and the issuer’s experience with  
 8 respect to those factors, or

9 “(iv) a final payment upon death that  
 10 does not exceed the excess of the total  
 11 amount of the consideration paid for the  
 12 annuity payments, less the aggregate  
 13 amount of prior distributions or payments  
 14 from or under the contract.”.

15 (b) REGULATIONS AND ENFORCEMENT.—

16 (1) REGULATIONS.—By the date that is one  
 17 year after the date of enactment of this Act, the  
 18 Secretary of the Treasury shall amend the regula-  
 19 tion issued by the Department of the Treasury relat-  
 20 ing to “Required Distributions from Retirement  
 21 Plans”, 69 Fed. Reg. 33288 (June 15, 2004), and  
 22 make any corresponding amendments to other regu-  
 23 lations, in order to—

24 (A) conform such regulations to subsection

25 (a), including by eliminating the types of pay-

1           ments described in subsection (a) from the  
2           scope of the requirement in Q&A–14(c) of  
3           Treasury Regulation section 1.401(a)(9)–6 that  
4           the total future expected payments must exceed  
5           the total value being annuitized;

6           (B) amend Q&A–14(c) of Treasury Regu-  
7           lation section 1.401(a)(9)–6 to provide that a  
8           commercial annuity that provides an initial pay-  
9           ment that is at least equal to the initial pay-  
10          ment that would be required from an individual  
11          account pursuant to Treasury Regulation sec-  
12          tion 1.401(a)(9)–5 will be deemed to satisfy the  
13          requirement in Q&A–14(c) of Treasury Regula-  
14          tion section 1.401(a)(9)–6 that the total future  
15          expected payments must exceed the total value  
16          being annuitized; and

17          (C) amend Q&A–14(e)(3) of Treasury Reg-  
18          ulation section 1.401(a)(9)–6 to provide that  
19          the total future expected payments under a  
20          commercial annuity are determined using the  
21          tables or other actuarial assumptions that the  
22          issuer of the contract actually uses in pricing  
23          the premiums and benefits with respect to the  
24          contract, provided that such tables or other ac-  
25          tuarial assumptions are reasonable.

1           (2) ENFORCEMENT.—As of the date of enact-  
 2           ment of this Act, the Secretary of the Treasury shall  
 3           administer and enforce the law in accordance with  
 4           subsections (a) and (b).

5           (c) EFFECTIVE DATE.—This section shall take effect  
 6           on the date of the enactment of this Act.

7   **SEC. 202. QUALIFYING LONGEVITY ANNUITY CONTRACTS.**

8           (a) IN GENERAL.—Not later than the date which is  
 9           1 year after the date of the enactment of this Act, the  
 10          Secretary of the Treasury or the Secretary’s delegate  
 11          (hereafter in this section referred to as the “Secretary”)  
 12          shall amend the regulation issued by the Department of  
 13          the Treasury relating to “Longevity Annuity Contracts”  
 14          (79 Fed. Reg. 37633 (July 2, 2014)), as follows:

15           (1) REPEAL 25-PERCENT PREMIUM LIMIT.—The  
 16          Secretary shall amend Q&A–17(b)(3) of Treasury  
 17          Regulation section 1.401(a)(9)–6 and Q&A–12(b)(3)  
 18          of Treasury Regulation section 1.408–8 to eliminate  
 19          the requirement that premiums for qualifying lon-  
 20          gevity annuity contracts be limited to a percentage  
 21          of an individual’s account balance, and to make such  
 22          corresponding changes to the regulations and related  
 23          forms as are necessary to reflect the elimination of  
 24          this requirement.

25           (2) INCREASE DOLLAR LIMITATION.—

1           (A) IN GENERAL.—The Secretary shall  
2           amend Q&A–17(b)(2)(i) of Treasury Regulation  
3           section 1.401(a)(9)–6 and Q&A–12(b)(2)(i) of  
4           Treasury Regulation section 1.408–8 to in-  
5           crease the dollar limitation on premiums for  
6           qualifying longevity annuity contracts from  
7           \$125,000 to \$200,000, and to make such cor-  
8           responding changes to the regulations and re-  
9           lated forms as are necessary to reflect this in-  
10          crease in the dollar limitation.

11          (B) ADJUSTMENTS FOR INFLATION.—The  
12          Secretary shall amend Q&A–17(d)(2)(i) of  
13          Treasury Regulation section 1.401(a)(9)–6 to  
14          provide that, in the case of calendar years be-  
15          ginning on or after January 1 of the second  
16          year following the year of enactment of this  
17          Act, the \$200,000 dollar limitation (as in-  
18          creased by subparagraph (A)) will be adjusted  
19          at the same time and in the same manner as  
20          the limits are adjusted under section 415(d) of  
21          the Internal Revenue Code of 1986, except that  
22          the base period shall be the calendar quarter  
23          beginning July 1 of the year of enactment of  
24          this Act, and any increase to such dollar limita-

1           tion which is not a multiple of \$10,000 will be  
2           rounded to the next lowest multiple of \$10,000.

3           (3) FACILITATE JOINT AND SURVIVOR BENE-  
4           FITS.—The Secretary shall amend Q&A–17(c) of  
5           Treasury Regulation section 1.401(a)(9)–6, and  
6           make such corresponding changes to the regulations  
7           and related forms as are necessary, to provide that,  
8           in the case of a qualifying longevity annuity contract  
9           which was purchased with joint and survivor annuity  
10          benefits for the individual and the individual’s  
11          spouse which were permissible under the regulations  
12          at the time the contract was originally purchased, a  
13          divorce occurring after the original purchase and be-  
14          fore the annuity payments commence under the con-  
15          tract will not affect the permissibility of the joint  
16          and survivor annuity benefits or other benefits under  
17          the contract, or require any adjustment to the  
18          amount or duration of benefits payable under the  
19          contract, provided that any qualified domestic rela-  
20          tions order (within the meaning of section 414(p) of  
21          the Internal Revenue Code of 1986) or any divorce  
22          or separation instrument (as defined in subsection  
23          (b))—

1 (A) provides that the former spouse is en-  
2 titled to the survivor benefits under the con-  
3 tract;

4 (B) does not modify the treatment of the  
5 former spouse as the beneficiary under the con-  
6 tract who is entitled to the survivor benefits; or

7 (C) does not modify the treatment of the  
8 former spouse as the measuring life for the sur-  
9 vivor benefits under the contract.

10 (4) PERMIT SHORT FREE LOOK PERIOD.—The  
11 Secretary shall amend Q&A–17(a)(4) of Treasury  
12 Regulation section 1.401(a)(9)–6 to ensure that  
13 such Q&A does not preclude a contract from includ-  
14 ing a provision under which an employee may re-  
15 scind the purchase of the contract within a period  
16 not exceeding 90 days from the date of purchase.

17 (b) DIVORCE OR SEPARATION INSTRUMENT.—For  
18 purposes of subsection (a)(3), the term “divorce or separa-  
19 tion instrument” means—

20 (1) a decree of divorce or separate maintenance  
21 or a written instrument incident to such a decree,

22 (2) a written separation agreement, or

23 (3) a decree (not described in paragraph (1))  
24 requiring a spouse to make payments for the sup-  
25 port or maintenance of the other spouse.

1 (c) EFFECTIVE DATES, ENFORCEMENT, AND INTER-  
 2 PRETATIONS.—

3 (1) EFFECTIVE DATES.—

4 (A) Paragraphs (1) and (2) of subsection  
 5 (a) shall be effective with respect to contracts  
 6 purchased or received in an exchange on or  
 7 after the date of the enactment of this Act.

8 (B) Paragraphs (3) and (4) of subsection  
 9 (a) shall be effective with respect to contracts  
 10 purchased or received in an exchange on or  
 11 after July 2, 2014.

12 (2) ENFORCEMENT AND INTERPRETATIONS.—  
 13 Prior to the date on which the Secretary issues final  
 14 regulations pursuant to subsection (a)—

15 (A) the Secretary (or delegate) shall ad-  
 16 minister and enforce the law in accordance with  
 17 subsection (a) and the effective dates in para-  
 18 graph (1) of this subsection; and

19 (B) taxpayers may rely upon their reason-  
 20 able good faith interpretations of subsection (a).

21 **SEC. 203. INSURANCE-DEDICATED EXCHANGE-TRADED**  
 22 **FUNDS.**

23 (a) IN GENERAL.—Not later than the date which is  
 24 1 year after the date of the enactment of this Act, the  
 25 Secretary of the Treasury (or the Secretary's delegate)

1 shall amend the regulation issued by the Department of  
2 the Treasury relating to “Income Tax; Diversification Re-  
3 quirements for Variable Annuity, Endowment, and Life  
4 Insurance Contracts”, 54 Fed. Reg. 8728 (March 2,  
5 1989), and make any necessary corresponding amend-  
6 ments to other regulations, in order to facilitate the use  
7 of exchange-traded funds as investment options under  
8 variable contracts within the meaning of section 817(d)  
9 of the Internal Revenue Code of 1986, in accordance with  
10 subsections (b) and (c) of this section.

11 (b) DESIGNATE CERTAIN AUTHORIZED PARTICI-  
12 PANTS AND MARKET MAKERS AS ELIGIBLE INVESTORS.—  
13 The Secretary of the Treasury (or the Secretary’s dele-  
14 gate) shall amend Treas. Reg. section 1.817–5(f)(3) to  
15 provide that satisfaction of the requirements in Treas.  
16 Reg. section 1.817–5(f)(2)(i) with respect to an exchange-  
17 traded fund shall not be prevented by reason of beneficial  
18 interests in such a fund being held by 1 or more author-  
19 ized participants or market makers.

20 (c) CONFIRM THAT SIMILARITIES TO OTHER FUNDS  
21 ARE IRRELEVANT.—The Secretary of the Treasury (or  
22 the Secretary’s delegate) shall amend Treas. Reg. section  
23 1.817–5(f) to confirm that, for Federal income tax pur-  
24 poses, a regulated investment company, partnership, or  
25 trust (including an exchange-traded fund) that satisfies



1 the requirements of Treas. Reg. section 1.817-5(f) (2)  
 2 and (3) shall not be treated as owned by the holder of  
 3 a variable contract pursuant to the principles of Rev. Rul.  
 4 81-225, 1981-2 C.B. 12, merely because another regu-  
 5 lated investment company, partnership, trust, or similar  
 6 investment vehicle follows the same investment strategy,  
 7 has the same investment manager, or holds the same in-  
 8 vestments.

9 (d) DEFINE RELEVANT TERMS.—In amending  
 10 Treas. Reg. section 1.817-5(f)(3) in accordance with sub-  
 11 sections (b) and (c) of this section, the Secretary of the  
 12 Treasury (or the Secretary’s delegate) shall provide defini-  
 13 tions consistent with the following:

14 (1) EXCHANGE-TRADED FUND.—The term “ex-  
 15 change-traded fund” means a regulated investment  
 16 company, partnership, or trust—

17 (A) that is registered with the Securities  
 18 and Exchange Commission as an open-end in-  
 19 vestment company or a unit investment trust;

20 (B) the shares of which can be purchased  
 21 or redeemed directly from the fund only by an  
 22 authorized participant; and

23 (C) the shares of which are traded  
 24 throughout the day on a national stock ex-  
 25 change at market prices that may or may not

1           be the same as the net asset value of the  
2           shares.

3           (2) AUTHORIZED PARTICIPANT.—The term  
4           “authorized participant” means a financial institu-  
5           tion that is a member or participant of a clearing  
6           agency registered under section 17A(b) of the Secu-  
7           rities Exchange Act of 1934 that enters into a con-  
8           tractual relationship with an exchange-traded fund  
9           pursuant to which the financial institution is per-  
10          mitted to purchase and redeem shares directly from  
11          the fund and to sell such shares to third parties, but  
12          only if the contractual arrangement or applicable law  
13          precludes the financial institution from—

14                (A) purchasing the shares for its own in-  
15                vestment purposes rather than for the exclusive  
16                purpose of creating and redeeming such shares  
17                on behalf of third parties; and

18                (B) selling the shares to third parties who  
19                are not market makers or otherwise described  
20                in Treas. Reg. section 1.817–5(f) (1) and (3).

21           (3) MARKET MAKER.—The term “market  
22           maker” means a financial institution that is a reg-  
23           istered broker or dealer under section 15(b) of the  
24           Securities Exchange Act of 1934 that maintains li-  
25           quidity for an exchange-traded fund on a national

1 stock exchange by being always ready to buy and sell  
 2 shares of such fund on the market, but only if the  
 3 financial institution is contractually or legally pre-  
 4 cluded from selling or buying such shares to or from  
 5 persons who are not authorized participants or oth-  
 6 erwise described in Treas. Reg. section 1.817-5(f)  
 7 (2) and (3).

8 (e) EFFECTIVE DATES, ENFORCEMENT, AND INTER-  
 9 PRETATIONS.—

10 (1) EFFECTIVE DATES.—

11 (A) SUBSECTION (b).—Subsection (b), and  
 12 the definitions under subsection (d), shall apply  
 13 to segregated asset account investments made  
 14 on or after the earlier of—

15 (i) the date that is 18 months after  
 16 the date of the of enactment of this Act,  
 17 or

18 (ii) the date on which the amend-  
 19 ments to regulations under subsection (b)  
 20 are made.

21 (B) SUBSECTION (c).—Subsection (c) shall  
 22 apply to taxable years beginning after the date  
 23 of the enactment of this Act.

24 (2) ENFORCEMENT AND INTERPRETATIONS.—

25 Prior to the date that the Secretary of the Treasury

1 (or the Secretary's delegate) issues final regulations  
 2 pursuant to this section—

3 (A) the Secretary (or delegate) shall ad-  
 4 minister and enforce the law in accordance with  
 5 this section and the effective dates under para-  
 6 graph (1), and

7 (B) taxpayers may rely upon their reason-  
 8 able good faith interpretations of the preceding  
 9 subsections of this section.

10 (3) NO INFERENCE.—Nothing contained in the  
 11 amendments to regulations pursuant to subsection  
 12 (c), or the administration and enforcement of such  
 13 subsection under paragraph (2), shall be construed  
 14 to create any inference as to a change in law or  
 15 guidance in effect prior to enactment of this section.

16 **TITLE III—SIMPLIFICATION AND**  
 17 **CLARIFICATION OF RETIRE-**  
 18 **MENT PLAN RULES**

19 **SEC. 301. RECOVERY OF RETIREMENT PLAN OVERPAY-**  
 20 **MENTS.**

21 (a) OVERPAYMENTS UNDER INTERNAL REVENUE  
 22 CODE OF 1986.—

23 (1) QUALIFICATION REQUIREMENTS.—Section  
 24 414 of the Internal Revenue Code of 1986, as  
 25 amended by the preceding provisions of this Act, is

1 further amended by adding at the end the following  
2 new subsection:

3 “(bb) SPECIAL RULES APPLICABLE TO BENEFIT  
4 OVERPAYMENTS.—

5 “(1) IN GENERAL.—A plan shall not fail to be  
6 treated as described in clause (i), (ii), (iii), or (iv)  
7 of section 219(g)(5)(A) (and shall not fail to be  
8 treated as satisfying the requirements of section  
9 401(a) or 403) merely because—

10 “(A) the plan fails to obtain payment from  
11 any participant, beneficiary, employer, plan  
12 sponsor, fiduciary, or other party on account of  
13 any inadvertent benefit overpayment made by  
14 the plan, or

15 “(B) the plan sponsor amends the plan to  
16 increase past or future benefit payments to af-  
17 fected participants and beneficiaries in order to  
18 adjust for prior inadvertent benefit overpay-  
19 ments.

20 “(2) REDUCTION IN FUTURE BENEFIT PAY-  
21 MENTS AND RECOVERY FROM RESPONSIBLE  
22 PARTY.—Paragraph (1) shall not fail to apply to a  
23 plan merely because, after discovering a benefit over-  
24 payment, such plan—

1           “(A) reduces future benefit payments to  
2           the correct amount provided for under the  
3           terms of the plan, or

4           “(B) seeks recovery from the person or  
5           persons responsible for such overpayment.

6           “(3) EMPLOYER FUNDING OBLIGATIONS.—  
7           Nothing in this subsection shall relieve an employer  
8           of any obligation imposed on it to make contribu-  
9           tions to a plan to meet the minimum funding stand-  
10          ards under section 412 or to prevent or restore an  
11          impermissible forfeiture in accordance with section  
12          411.

13          “(4) OBSERVANCE OF BENEFIT LIMITATIONS.—  
14          Notwithstanding paragraph (1), a plan to which  
15          paragraph (1) applies shall observe any limitations  
16          imposed on it by section 401(a)(17) or 415. The  
17          plan may enforce such limitations using any method  
18          approved by the Secretary for recouping benefits  
19          previously paid or allocations previously made in ex-  
20          cess of such limitations.

21          “(5) COORDINATION WITH OTHER QUALIFICA-  
22          TION REQUIREMENTS.—The Secretary may issue  
23          regulations or other guidance of general applicability  
24          specifying how benefit overpayments and their  
25          recoupment or non-recoupment from a participant or

1 beneficiary shall be taken into account for purposes  
2 of satisfying any requirement applicable to a plan to  
3 which paragraph (1) applies.”.

4 (2) ROLLOVERS.—Section 402(c) of such Code  
5 is amended by adding at the end the following new  
6 paragraph:

7 “(13) In the case of an inadvertent benefit  
8 overpayment from a plan to which section  
9 414(bb)(1) applies which is transferred to an eligible  
10 retirement plan by or on behalf of a participant or  
11 beneficiary—

12 “(A) the portion of such overpayment with  
13 respect to which recoupment is not sought on  
14 behalf of the plan shall be treated as having  
15 been paid in an eligible rollover distribution if  
16 the payment would have been an eligible roll-  
17 over distribution but for being an overpayment,  
18 and

19 “(B) the portion of such overpayment with  
20 respect to which recoupment is sought on behalf  
21 of the plan shall be permitted to be returned to  
22 such plan and in such case shall be treated as  
23 an eligible rollover distribution transferred to  
24 such plan by the participant or beneficiary who  
25 received such overpayment (and the plans mak-

1           ing and receiving such transfer shall be treated  
2           as permitting such transfer).

3       In any case in which recoupment is sought on behalf  
4       of the plan but is disputed by the participant or ben-  
5       eficiary who received such overpayment, such dispute  
6       shall be subject to the claims and appeals procedures  
7       of the plan that made such overpayment, such plan  
8       shall notify the plan receiving the rollover of such  
9       dispute, and the plan receiving the rollover shall re-  
10      tain such overpayment on behalf of the participant  
11      or beneficiary (and shall be entitled to treat such  
12      overpayment as plan assets) pending the outcome of  
13      such procedures.”.

14      (b) OVERPAYMENTS UNDER ERISA.—Section 206 of  
15      the Employee Retirement Income Security Act of 1974  
16      (29 U.S.C. 1056) is amended by adding at the end the  
17      following new subsection:

18      “(h) SPECIAL RULES APPLICABLE TO BENEFIT  
19      OVERPAYMENTS.—

20           “(1) GENERAL RULE.—In the case of an inad-  
21      vertent benefit overpayment by any pension plan, the  
22      responsible plan fiduciary shall not be considered to  
23      have failed to comply with the requirements of this  
24      title merely because such fiduciary determines, in



1 the exercise of its fiduciary discretion, not to seek  
2 recovery of all or part of such overpayment from—

3 “(A) any participant or beneficiary,

4 “(B) any plan sponsor of, or contributing  
5 employer to—

6 “(i) an individual account plan, pro-  
7 vided that the amount needed to prevent or  
8 restore any impermissible forfeiture from  
9 any participant’s or beneficiary’s account  
10 arising in connection with the overpayment  
11 is, separately from and independently of  
12 the overpayment, allocated to such account  
13 pursuant to the nonforfeitability require-  
14 ments of section 203 (for example, out of  
15 the plan’s forfeiture account, additional  
16 employer contributions, or recoveries from  
17 those responsible for the overpayment), or

18 “(ii) a defined benefit pension plan  
19 subject to the funding rules in part 3 of  
20 this subtitle B, unless the responsible plan  
21 fiduciary determines, in the exercise of its  
22 fiduciary discretion, that failure to recover  
23 all or part of the overpayment faster than  
24 required under such funding rules would  
25 materially affect the plan’s ability to pay

1           benefits due to other participants and  
2           beneficiaries, or

3           “(C) any fiduciary of the plan, other than  
4           a fiduciary (including a plan sponsor or contrib-  
5           uting employer acting in a fiduciary capacity)  
6           whose breach of its fiduciary duties resulted in  
7           such overpayment, provided that if the plan has  
8           established prudent procedures to prevent and  
9           minimize overpayment of benefits and the rel-  
10          evant plan fiduciaries have followed such proce-  
11          dures, an inadvertent benefit overpayment will  
12          not give rise to a breach of fiduciary duty.

13          “(2) REDUCTION IN FUTURE BENEFIT PAY-  
14          MENTS AND RECOVERY FROM RESPONSIBLE  
15          PARTY.—Paragraph (1) shall not fail to apply with  
16          respect to any inadvertent benefit overpayment  
17          merely because, after discovering such overpayment,  
18          the responsible plan fiduciary—

19                 “(A) reduces future benefit payments to  
20                 the correct amount provided for under the  
21                 terms of the plan, or

22                 “(B) seeks recovery from the person or  
23                 persons responsible for the overpayment.

24          “(3) EMPLOYER FUNDING OBLIGATIONS.—  
25          Nothing in this subsection shall relieve an employer

1 of any obligation imposed on it to make contribu-  
2 tions to a plan to meet the minimum funding stand-  
3 ards under part 3 of this subtitle B or to prevent  
4 or restore an impermissible forfeiture in accordance  
5 with section 203.

6 “(4) RECOUPMENT FROM PARTICIPANTS AND  
7 BENEFICIARIES.—If the responsible plan fiduciary,  
8 in the exercise of its fiduciary discretion, decides to  
9 seek recoupment from a participant or beneficiary of  
10 all or part of an inadvertent benefit overpayment  
11 made by the plan to such participant or beneficiary,  
12 it may do so, subject to the following conditions:

13 “(A) No interest or other additional  
14 amounts (such as collection costs or fees) are  
15 sought on overpaid amounts.

16 “(B) If the plan seeks to recoup past over-  
17 payments of a non-decreasing periodic benefit  
18 by reducing future benefit payments—

19 “(i) the reduction ceases after the  
20 plan has recovered the full dollar amount  
21 of the overpayment,

22 “(ii) the amount recouped each cal-  
23 endar year does not exceed 10 percent of  
24 the full dollar amount of the overpayment,  
25 and

1           “(iii) future benefit payments are not  
2           reduced to below 90 percent of the periodic  
3           amount otherwise payable under the terms  
4           of the plan.

5           Alternatively, if the plan seeks to recoup past  
6           overpayments of a non-decreasing periodic ben-  
7           efit through one or more installment payments,  
8           the sum of such installment payments in any  
9           calendar year does not exceed the sum of the  
10          reductions that would be permitted in such year  
11          under the preceding sentence.

12          “(C) If the plan seeks to recoup past over-  
13          payments of a benefit other than a non-decreas-  
14          ing periodic benefit, the plan satisfies require-  
15          ments developed by the Secretary of the Treas-  
16          ury for purposes of this subparagraph.

17          “(D) Efforts to recoup overpayments are  
18          not made through a collection agency or similar  
19          third party and such efforts are not accom-  
20          panied by threats of litigation, unless the re-  
21          sponsible plan fiduciary reasonably believes it  
22          could prevail in a civil action brought in Fed-  
23          eral or State court to recoup the overpayments.

24          “(E) Recoupment of past overpayments to  
25          a participant is not sought from any beneficiary

1 of the participant, including a spouse, surviving  
2 spouse, former spouse, or other beneficiary.

3 “(F) Recoupment may not be sought if the  
4 first overpayment occurred more than 3 years  
5 before the participant or beneficiary is first no-  
6 tified in writing of the error.

7 “(G) A participant or beneficiary from  
8 whom recoupment is sought is entitled to con-  
9 test all or part of the recoupment pursuant to  
10 the plan’s claims and appeals procedures.

11 “(H) In determining the amount of  
12 recoupment to seek, the responsible plan fidu-  
13 ciary may take into account the hardship that  
14 recoupment likely would impose on the partici-  
15 pant or beneficiary.

16 “(5) EFFECT OF CULPABILITY.—Subpara-  
17 graphs (A) through (F) of paragraph (4) shall not  
18 apply to protect a participant or beneficiary who is  
19 culpable. For purposes of this paragraph, a partici-  
20 pant or beneficiary is culpable if the individual bears  
21 responsibility for the overpayment (such as through  
22 misrepresentations or omissions that led to the over-  
23 payment), or if the individual knew, or had good  
24 reason to know under the circumstances, that the  
25 benefit payment or payments were materially in ex-

1       cess of the correct amount. Notwithstanding the pre-  
2       ceding sentence, an individual is not culpable merely  
3       because the individual believed the benefit payment  
4       or payments were or might be in excess of the cor-  
5       rect amount, if the individual raised that question  
6       with an authorized plan representative and was told  
7       the payment or payments were not in excess of the  
8       correct amount. With respect to a culpable partici-  
9       pant or beneficiary, efforts to recoup overpayments  
10      shall not be made through threats of litigation, un-  
11      less a lawyer for the plan could make the representa-  
12      tions required under Rule 11 of the Federal Rules  
13      of Civil Procedure if the litigation were brought in  
14      Federal court.”.

15      (c) EFFECTIVE DATE.—The amendments made by  
16      this section shall apply as of the date of the enactment  
17      of this Act.

18      (d) CERTAIN ACTIONS BEFORE DATE OF ENACT-  
19      MENT.—Plans, fiduciaries, employers, and plan sponsors  
20      are entitled to rely on—

21           (1) a good faith interpretation of then existing  
22      administrative guidance for inadvertent benefit over-  
23      payment recoupments and recoveries that com-  
24      menced before the date of enactment of this Act,  
25      and

1           (2) determinations made before such date of en-  
2           actment by the responsible plan fiduciary, in the ex-  
3           ercise of its fiduciary discretion, not to seek  
4           recoupment or recovery of all or part of an inad-  
5           vertent benefit overpayment.

6   In the case of a benefit overpayment that occurred prior  
7   to the date of enactment of this Act, any installment pay-  
8   ments by the participant or beneficiary to the plan or any  
9   reduction in periodic benefit payments to the participant  
10   or beneficiary, which were made in recoupment of such  
11   overpayment and which commenced prior to such date,  
12   may continue after such date. Nothing in this subsection  
13   shall relieve a fiduciary from responsibility for an overpay-  
14   ment that resulted from a breach of its fiduciary duties.

15   **SEC. 302. REDUCTION IN EXCISE TAX ON CERTAIN ACCU-**  
16                   **MULATIONS IN QUALIFIED RETIREMENT**  
17                   **PLANS.**

18           (a) IN GENERAL.—Subsection (a) of section 4974 of  
19   the Internal Revenue Code of 1986 is amended by striking  
20   “50 percent” and inserting “25 percent”.

21           (b) REDUCTION IN EXCISE TAX ON FAILURES TO  
22   TAKE REQUIRED MINIMUM DISTRIBUTIONS.—Section  
23   4974 of such Code is amended by adding at the end the  
24   following new subsection:

25           “(e) REDUCTION OF TAX IN CERTAIN CASES.—

1           “(1) REDUCTION.—In the case of a taxpayer  
2       who—

3           “(A) corrects, during the correction win-  
4       dow, a shortfall of distributions from an indi-  
5       vidual retirement plan which resulted in imposi-  
6       tion of a tax under subsection (a), and

7           “(B) submits a return, during the correc-  
8       tion window, reflecting such tax (as modified by  
9       this subsection),  
10      the first sentence of subsection (a) shall be applied  
11      by substituting ‘10 percent’ for ‘25 percent’.

12           “(2) CORRECTION WINDOW.—For purposes of  
13      this subsection, the term ‘correction window’ means  
14      the period of time beginning on the date on which  
15      the tax under subsection (a) is imposed with respect  
16      to a shortfall of distributions from an individual re-  
17      tirement plan, and ending on the earlier of—

18           “(A) the date on which the Secretary initi-  
19      ates an audit, or otherwise demands payment,  
20      with respect to the shortfall of distributions, or

21           “(B) the last day of the second taxable  
22      year that begins after the end of the taxable  
23      year in which the tax under subsection (a) is  
24      imposed.”.



1 (c) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to taxable years beginning after  
3 December 31, 2020.

4 **SEC. 303. PERFORMANCE BENCHMARKS FOR ASSET ALLO-**  
5 **CATION FUNDS.**

6 (a) IN GENERAL.—Not later than 6 months after the  
7 date of the enactment of this Act, the Secretary of Labor  
8 (or the Secretary’s delegate) shall modify the regulations  
9 under section 404 of the Employee Retirement Income Se-  
10 curity Act of 1974 (29 U.S.C. 1104) to provide that, in  
11 the case of a designated investment alternative which con-  
12 tains a mix of asset classes, a plan administrator may,  
13 but is not required to, use a benchmark which is a blend  
14 of different broad-based securities market indices if—

15 (1) the blend is reasonably representative of the  
16 asset class holdings of the designated investment al-  
17 ternative;

18 (2) for purposes of determining the blend’s re-  
19 turns for 1-, 5-, and 10-calendar-year periods (or for  
20 the life of the alternative, if shorter), the blend is  
21 modified at least once per year to reflect changes in  
22 the asset class holdings of the designated investment  
23 alternative;

1           (3) the blend is furnished to participants and  
2           beneficiaries in a manner that is reasonably designed  
3           to be understandable and helpful; and

4           (4) each securities market index which is used  
5           for an associated asset class would separately satisfy  
6           the requirements of such regulations for such asset  
7           class.

8           (b) STUDY.—Not later than December 31, 2021, the  
9           Secretary of Labor (or the Secretary’s delegate) shall de-  
10          liver a report to the Committees on Ways and Means and  
11          Education and Labor of the House of Representatives and  
12          the Committees on Finance and Health, Education,  
13          Labor, and Pensions of the Senate regarding the effective-  
14          ness of the benchmarking requirements under section  
15          2550.404a–5 of title 29, Code of Federal Regulations.

16       **SEC. 304. REVIEW AND REPORT TO THE CONGRESS RELAT-**  
17                               **ING TO REPORTING AND DISCLOSURE RE-**  
18                               **QUIREMENTS.**

19          (a) STUDY.—As soon as practicable after the date of  
20          the enactment of this Act, the Secretary of Labor, the Sec-  
21          retary of the Treasury, and the Pension Benefit Guaranty  
22          Corporation shall review the reporting and disclosure re-  
23          quirements of—

1           (1) title I of the Employee Retirement Income  
2       Security Act of 1974 applicable to pension plans (as  
3       defined in section 3(2) of such Act); and

4           (2) the Internal Revenue Code of 1986 applica-  
5       ble to qualified retirement plans (as defined in sec-  
6       tion 4974(c) of such Code without regard to para-  
7       graphs (4) and (5) thereof).

8       (b) REPORT.—Not later than 18 months after the  
9       date of the enactment of this Act, the Secretary of Labor,  
10      the Secretary of the Treasury, and the Pension Benefit  
11      Guaranty Corporation, jointly, and after consultation with  
12      a balanced group of participant and employer representa-  
13      tives, shall with respect to plans referenced in subsection  
14      (a) report on the effectiveness of the applicable reporting  
15      and disclosure requirements and make such recommenda-  
16      tions as may be appropriate to the appropriate committees  
17      of the Congress to consolidate, simplify, standardize, and  
18      improve such requirements so as to simplify reporting for  
19      such plans and ensure that plans can simply furnish and  
20      participants and beneficiaries timely receive and better un-  
21      derstand the information they need to monitor their plans,  
22      plan for retirement, and obtain the benefits they have  
23      earned. Such report shall assess the extent to which retire-  
24      ment plans are retaining disclosures, work records, and  
25      plan documents that are needed to ensure accurate cal-

1 culation of future benefits. To assess the effectiveness of  
 2 the applicable reporting and disclosure requirements, the  
 3 report shall include an analysis, based on plan data, of  
 4 how participants and beneficiaries are providing preferred  
 5 contact information, the methods by which plan sponsors  
 6 and plans are furnishing disclosures, and the rate at which  
 7 participants and beneficiaries (grouped by key demo-  
 8 graphics) are receiving, accessing, and retaining disclo-  
 9 sures. The agencies shall conduct appropriate surveys and  
 10 data collection to obtain any needed information.

11 **SEC. 305. ELIMINATING UNNECESSARY PLAN REQUIRE-**  
 12 **MENTS RELATED TO UNENROLLED PARTICI-**  
 13 **PANTS.**

14 (a) AMENDMENT OF INTERNAL REVENUE CODE OF  
 15 1986.—Section 414 of the Internal Revenue Code of  
 16 1986, as amended by the preceding provisions of this Act,  
 17 is further amended by adding at the end the following new  
 18 subsection:

19 “(cc) ELIMINATING UNNECESSARY PLAN REQUIRE-  
 20 MENTS RELATED TO UNENROLLED PARTICIPANTS.—

21 “(1) IN GENERAL.—Notwithstanding any other  
 22 provision of this title, with respect to any defined  
 23 contribution plan, no disclosure, notice, or other plan  
 24 document (other than the notices and documents de-  
 25 scribed in subparagraphs (A) and (B)) shall be re-

1       quired to be furnished under this title to any  
2       unenrolled participant if the unenrolled participant  
3       receives—

4               “(A) in connection with the annual open  
5       season election period with respect to the plan  
6       or, if there is no such period, within a reason-  
7       able period prior to the beginning of each plan  
8       year, an annual reminder notice (in paper for-  
9       mat, or in any electronic format consented to by  
10      the participant) of such participant’s eligibility  
11      to participate in such plan and any applicable  
12      election deadlines under the plan, and

13              “(B) any document requested by such par-  
14      ticipant which the participant would be entitled  
15      to receive without regard to this subsection.

16              “(2) UNENROLLED PARTICIPANT.—For pur-  
17      poses of this subsection, the term ‘unenrolled partici-  
18      pant’ means an employee who—

19              “(A) is eligible to participate in a defined  
20      contribution plan,

21              “(B) has been furnished all required no-  
22      tices, disclosures, and other plan documents re-  
23      quired to be furnished under this title and the  
24      summary plan description as provided in section  
25      104(b) of the Employee Retirement Income Se-

1           curity Act of 1974 in connection with such par-  
2           ticipant's initial eligibility to participate in such  
3           plan,

4                   “(C) is not participating in such plan, and

5                   “(D) does not have a balance in the plan.

6           For purposes of this subsection, any eligibility to  
7           participate in the plan following any period for  
8           which such employee was not eligible to participate  
9           shall be treated as initial eligibility.

10           “(3) ANNUAL REMINDER NOTICE.—For pur-  
11           poses of this subsection, the term ‘annual reminder  
12           notice’ means the notice described in section 111(c)  
13           of the Employee Retirement Income Security Act of  
14           1974.”.

15           (b) AMENDMENT OF EMPLOYEE RETIREMENT IN-  
16           COME SECURITY ACT OF 1974.—

17           (1) IN GENERAL.—Part 1 of subtitle B of sub-  
18           chapter I of the Employee Retirement Income Secu-  
19           rity Act of 1974 is amended by redesignating section  
20           111 as section 112 and by inserting after section  
21           110 the following new section:

1 **“SEC. 111. ELIMINATING UNNECESSARY PLAN REQUIRE-**  
2 **MENTS RELATED TO UNENROLLED PARTICI-**  
3 **PANTS.**

4 “(a) IN GENERAL.—Notwithstanding any other pro-  
5 vision of this title, with respect to any individual account  
6 plan, no disclosure, notice, or other plan document (other  
7 than the notices and documents described in paragraphs  
8 (1) and (2)) shall be required to be furnished under this  
9 title to any unenrolled participant if the unenrolled partici-  
10 pant receives—

11 “(1) in connection with the annual open season  
12 election period with respect to the plan or, if there  
13 is no such period, within a reasonable period prior  
14 to the beginning of each plan year, an annual re-  
15 minder notice of such participant’s eligibility to par-  
16 ticipate in such plan and any applicable election  
17 deadlines under the plan; and

18 “(2) any document requested by such partici-  
19 pant which the participant would be entitled to re-  
20 ceive without regard to this section.

21 “(b) UNENROLLED PARTICIPANT.—For purposes of  
22 this section, the term ‘unenrolled participant’ means an  
23 employee who—

24 “(1) is eligible to participate in an individual  
25 account plan;

1           “(2) has received all required notices, disclo-  
2           sures, and other plan documents, including the sum-  
3           mary plan description, required to be furnished  
4           under this title in connection with such participant’s  
5           initial eligibility to participate in such plan;

6           “(3) is not participating in such plan; and

7           “(4) does not have a balance in the plan.

8   For purposes of this section, any eligibility to participate  
9   in the plan following any period for which such employee  
10   was not eligible to participate shall be treated as initial  
11   eligibility.

12       “(c) ANNUAL REMINDER NOTICE.—For purposes of  
13   this section, the term ‘annual reminder notice’ means a  
14   notice provided in accordance with section 2520.104b–1  
15   of title 29, Code of Federal Regulations (or any successor  
16   regulation), which—

17           “(1) is furnished in connection with the annual  
18           open season election period with respect to the plan  
19           or, if there is no such period, is furnished within a  
20           reasonable period prior to the beginning of each plan  
21           year;

22           “(2) notifies the unenrolled participant of—

23                   “(A) the unenrolled participant’s eligibility  
24           to participate in the plan; and



1           “(B) the key benefits under the plan and  
 2           the key rights and features under the plan af-  
 3           fecting such benefits; and

4           “(3) provides such information in a prominent  
 5           manner calculated to be understood by the average  
 6           participant.”.

7           (2) CLERICAL AMENDMENT.—The table of con-  
 8           tents in section 1 of the Employee Retirement In-  
 9           come Security Act of 1974 is amended by striking  
 10          the item relating to section 111 and by inserting  
 11          after the item relating to section 110 the following  
 12          new items:

“Sec. 111. Eliminating unnecessary plan requirements related to unenrolled  
 participants.

“Sec. 112. Repeal and effective date.”.

13          (c) EFFECTIVE DATE.—The amendments made by  
 14          this section shall apply to plan years beginning after De-  
 15          cember 31, 2020.

16      **SEC. 306. RETIREMENT SAVINGS LOST AND FOUND.**

17          (a) RETIREMENT SAVINGS LOST AND FOUND.—

18              (1) ESTABLISHMENT.—

19                  (A) IN GENERAL.—Not later than 2 years  
 20                  after the date of the enactment of this Act, the  
 21                  Secretary of Labor, the Secretary of the Treas-  
 22                  ury, and the Secretary of Commerce, in co-  
 23                  operation, shall establish an Office of the Re-  
 24                  tirement Savings Lost and Found, which shall

1 develop and maintain an online searchable data-  
2 base (to be managed by the Pension Benefit  
3 Guaranty Corporation) of unclaimed vested  
4 benefits of participants and beneficiaries in  
5 plans—

6 (i) to allow an individual to search for  
7 information that enables the individual to  
8 locate the plan administrator of any plans  
9 with respect to which the individual is a  
10 participant or beneficiary, and to provide  
11 contact information for the plan adminis-  
12 trator of any plan described in subpara-  
13 graph (B) with respect to which the indi-  
14 vidual may be entitled to a benefit;

15 (ii) to allow the corporation to assist  
16 such an individual in locating any plan of  
17 the individual; and

18 (iii) to allow the corporation to make  
19 any necessary changes to contact informa-  
20 tion on record for the plan administrator  
21 based on any changes to the plan due to  
22 merger or consolidation of the plan with  
23 any other plan, division of the plan into  
24 two or more plans, bankruptcy, termi-  
25 nation, change in name of the plan, change

1           in name or address of the plan adminis-  
2           trator, or other causes.

3           The Retirement Savings Lost and Found estab-  
4           lished under this paragraph shall contain the  
5           information obtained by the corporation from  
6           the Internal Revenue Service regarding deferred  
7           vested benefits of separated participants and  
8           beneficiaries in plans as reported under section  
9           6057(d) of the Internal Revenue Code of 1986,  
10          as amended by this subsection, and the infor-  
11          mation on missing participants collected as part  
12          of the corporation's Missing Participant Pro-  
13          gram established under section 4050 of the  
14          Employee Retirement Income Security Act of  
15          1974.

16                (B) PLANS DESCRIBED.—A plan described  
17                in this subparagraph is a plan to which the  
18                vesting standards of section 203 of part 2 of  
19                subtitle B of title I of the Employee Retirement  
20                Income Security Act of 1974 apply.

21                (2) ADMINISTRATION.—The Retirement Sav-  
22                ings Lost and Found established under paragraph  
23                (1) shall provide individuals described in paragraph  
24                (1)(A) only with the ability to view contact informa-  
25                tion for the plan administrator of any plan with re-

1       spect to which the individual is a participant or ben-  
2       eficiary, sufficient to allow the individual to locate  
3       the individual's plan in order to recover any benefit  
4       owing to the individual under the plan.

5           (3) CURRENT INFORMATION.—

6               (A) IN GENERAL.—Paragraph (2) of sec-  
7       tion 6057(a) of the Internal Revenue Code of  
8       1986 is amended—

9               (i) in subparagraph (C)—

10               (I) by striking “during such plan  
11               year” in clause (i) and inserting “dur-  
12               ing the plan year immediately pre-  
13               ceding such plan year”;

14               (II) by adding “and” at the end  
15               of clause (i); and

16               (III) by striking clause (iii);

17               (ii) by redesignating subparagraph  
18       (E) as subparagraph (G);

19               (iii) by striking “and” at the end of  
20       subparagraph (D); and

21               (iv) by inserting after subparagraph  
22       (D) the following new subparagraphs:

23               “(E) the name and taxpayer identifying  
24       number of each participant or former partici-  
25       pant in the plan—

1 “(i) who, during any previous plan  
2 year, was reported under subparagraph  
3 (C), and with respect to whom the benefits  
4 described in subparagraph (C)(ii) were  
5 fully paid during the plan year,

6 “(ii) with respect to whom any  
7 amount was distributed under section  
8 401(a)(31)(B) during the plan year, or

9 “(iii) with respect to whom a deferred  
10 annuity contract was distributed during  
11 the plan year,

12 “(F) in the case of a participant or former  
13 participant to whom subparagraph (E) ap-  
14 plies—

15 “(i) in the case of a participant de-  
16 scribed in clause (ii) thereof, the name and  
17 address of the designated trustee or issuer  
18 described in section 401(a)(31)(B)(i) and  
19 the account number of the individual re-  
20 tirement plan to which the amount was  
21 distributed, and

22 “(ii) in the case of a participant de-  
23 scribed in clause (iii) thereof, the name  
24 and address of the issuer of such annuity

1 contract and the contract or certificate  
2 number, and”.

3 (B) RULES RELATING TO DIRECT TRUST-  
4 EE-TO-TRUSTEE TRANSFERS.—

5 (i) IN GENERAL.—Paragraph (6) of  
6 section 402(e) of such Code is amended—

7 (I) by striking “TRANSFERS.—  
8 Any” and inserting “TRANSFERS.—  
9 “(A) IN GENERAL.—Any”; and

10 (II) by adding at the end the fol-  
11 lowing new subparagraph:

12 “(B) NOTIFICATION OF TRUSTEE.—In the  
13 case of a distribution under section  
14 401(a)(31)(B), the plan administrator shall no-  
15 tify the designated trustee or issuer described  
16 in clause (i) thereof that the transfer is a man-  
17 datory distribution required by such section.”.

18 (ii) PENALTY.—Subsection (i) of sec-  
19 tion 6652 of such Code is amended—

20 (I) by striking “TO RECIPIENTS”  
21 in the heading and inserting “OR NO-  
22 TIFICATION”;

23 (II) by striking “402(f),” and in-  
24 serting “402(f) or a notification as re-  
25 quired by section 402(e)(6)(B),”; and

1 (III) by striking “such written  
2 explanation” and inserting “such writ-  
3 ten explanation or notification”.

4 (iii) REPORTS.—Subsection (i) of sec-  
5 tion 408 of such Code is amended—

6 (I) by redesignating subpara-  
7 graphs (A) and (B) of paragraph (2)  
8 as clauses (i) and (ii), respectively,  
9 and by moving such clauses 2 ems to  
10 the right;

11 (II) by redesignating paragraphs  
12 (1) and (2) as subparagraphs (A) and  
13 (B), respectively, and by moving such  
14 subparagraphs 2 ems to the right; and

15 (III) by striking “as the Sec-  
16 retary prescribes” in subparagraph  
17 (B)(ii), as so redesignated, and all  
18 that follows through “a simple retire-  
19 ment account” and inserting “as the  
20 Secretary prescribes.

21 “(3) SIMPLE RETIREMENT ACCOUNTS.—In the  
22 case of a simple retirement account”;

23 (IV) by striking “REPORTS.—  
24 The trustee of” and inserting “RE-  
25 PORTS.—

1 “(1) IN GENERAL.—The trustee of”;  
 2 (V) by striking “under paragraph  
 3 (2)” in paragraph (3), as redesignated  
 4 by clause (iii), and inserting “under  
 5 paragraph (1)(B)”;  
 6 (VI) by inserting after paragraph  
 7 (1)(B)(ii), as redesignated by the pre-  
 8 ceding clauses, the following new  
 9 paragraph:

10 “(2) MANDATORY DISTRIBUTIONS.—In the case  
 11 of an account, contract, or annuity to which a trans-  
 12 fer under section 401(a)(31)(B) is made (including  
 13 a transfer from the individual retirement plan to  
 14 which the original transfer under such section was  
 15 made to another individual retirement plan), the re-  
 16 port required by this subsection for the year of the  
 17 transfer shall—

18 “(A) identify such transfer as a mandatory  
 19 distribution required by such section,

20 “(B) include the name, address, and tax-  
 21 payer identifying number of the trustee or  
 22 issuer of the individual retirement plan to which  
 23 the amount is transferred, and



1           “(C) be filed with the Pension Benefit  
2           Guaranty Corporation as well as with the Sec-  
3           retary.”.

4           (C) NOTIFICATION OF PARTICIPANTS UPON  
5           SEPARATION.—Subsection (e) of section 6057  
6           of such Code is amended by inserting “, and a  
7           notice of the availability of, and the contact in-  
8           formation for, the Retirement Savings Lost and  
9           Found established under section 306(a)(1) of  
10          the Securing a Strong Retirement Act of 2020”  
11          before the period at the end of the second sen-  
12          tence.

13          (D) EFFECTIVE DATE.—The amendments  
14          made by this paragraph shall apply to distribu-  
15          tions made in, and returns and reports relating  
16          to, years beginning after the second December  
17          31 occurring after the date of the enactment of  
18          this Act.

19          (4) COORDINATION WITH DISTRIBUTION RE-  
20          QUIREMENTS, FIDUCIARY DUTIES, ETC.—

21          (A) AMENDMENT OF INTERNAL REVENUE  
22          CODE OF 1986.—Paragraph (9) of section  
23          401(a) of the Internal Revenue Code of 1986,  
24          as amended by the preceding provisions of this

1 Act, is further amended by adding at the end  
2 the following new subparagraph:

3 “(K) COORDINATION WITH RETIREMENT  
4 SAVINGS LOST AND FOUND.—

5 “(i) IN GENERAL.—With respect to  
6 any lost or missing participant of a plan,  
7 the plan shall not be treated as failing to  
8 satisfy the requirements of this paragraph  
9 or any other requirement of this title which  
10 cannot be satisfied due to the plan’s inabil-  
11 ity to locate the participant.

12 “(ii) LOST OR MISSING PARTICI-  
13 PANT.—For purposes of subclause (i), the  
14 term ‘lost or missing participant’ shall be  
15 defined in guidance to be issued jointly by  
16 the Internal Revenue Service, Department  
17 of the Treasury, the Employee Benefits  
18 Security Administration, Department of  
19 Labor, and the Pension Benefit Guaranty  
20 Corporation. Such guidance shall be so  
21 issued not later than 1 year after the date  
22 of the enactment of this subparagraph.”.

23 (B) AMENDMENT OF EMPLOYEE RETIRE-  
24 MENT INCOME SECURITY ACT OF 1974.—

1 (i) IN GENERAL.—Section 404 of the  
2 Employee Retirement Income Security Act  
3 of 1974 (29 U.S.C. 1104) is amended by  
4 adding at the end the following new sub-  
5 section:

6 “(e) COORDINATION WITH RETIREMENT SAVINGS  
7 LOST AND FOUND.—

8 “(1) IN GENERAL.—With respect to any lost or  
9 missing participant of a plan, a fiduciary of the plan  
10 shall not be treated as failing to satisfy any require-  
11 ment to search for or attempt to locate, or to pro-  
12 vide any document or information to, such indi-  
13 vidual, or any other requirement of this title which  
14 cannot be satisfied due to the plan’s inability to lo-  
15 cate the participant.

16 “(2) LOST OR MISSING PARTICIPANT.—For  
17 purposes of paragraph (1), the term ‘lost or missing  
18 participant’ shall be defined in guidance to be issued  
19 jointly by the Internal Revenue Service, Department  
20 of the Treasury, the Employee Benefits Security Ad-  
21 ministration, Department of Labor, and the Pension  
22 Benefit Guaranty Corporation.”.

23 (ii) CONFORMING AMENDMENTS.—  
24 Section 4050(a)(1) of the Employee Re-  
25 tirement Income Security Act of 1974 (29

1 U.S.C. 1350(a)(1)) is amended in subpara-  
2 graph (B)—

3 (I) by striking “provides” and in-  
4 serting “either—  
5 “(i) provides”;

6 (II) by striking the period at the  
7 end and inserting “; or”; and

8 (III) by adding at the end the  
9 following new clause:

10 “(ii) satisfies the requirements of sec-  
11 tion 6057(a) of the Internal Revenue Code  
12 of 1986.”.

13 (5) REQUIREMENT OF ELECTRONIC FILING.—

14 (A) IN GENERAL.—Paragraph (2) of sec-  
15 tion 6011(e) of the Internal Revenue Code of  
16 1986 is amended—

17 (i) by redesignating subparagraphs  
18 (A) and (B) as clauses (i) and (ii), respec-  
19 tively, and by moving such clauses 2 ems  
20 to the right;

21 (ii) by striking “the requirements of  
22 such regulations” and all that follows  
23 through “the Secretary shall require” and  
24 inserting “the requirements of such regula-  
25 tions.

“(B) CERTAIN PARTNERSHIPS.—Notwithstanding subparagraph (A), the Secretary shall require”;

(iii) by striking “REGULATIONS.—In prescribing” and inserting “REGULATIONS.—

“(A) IN GENERAL.—In prescribing”; and

(iv) by adding at the end the following new subparagraph:

“(C) EXCEPTIONS.—Notwithstanding subparagraph (A), the Secretary shall require returns or reports required under—

“(i) sections 6057, 6058, and 6059, and

“(ii) sections 408(i), 6041, and 6047 to the extent such return or report relates to the tax treatment of a distribution from a plan, account, contract, or annuity,

to be filed on magnetic media, but only with respect to persons who are required to file at least 50 returns during the calendar year which includes the first day of the plan year to which such returns or reports relate.”.

(B) EFFECTIVE DATE.—The amendments made by this paragraph shall apply to returns

1           and reports relating to years beginning after  
2           the second December 31 occurring after the  
3           date of the enactment of this Act.

4           (6) SAFEGUARDING PARTICIPANT PRIVACY AND  
5           SECURITY.—In establishing the Retirement Savings  
6           Lost and Found under paragraph (1), the Secretary  
7           of Labor, the Secretary of Treasury, and the Sec-  
8           retary of Commerce shall take all necessary and  
9           proper precautions to ensure that individuals' plan  
10          information maintained by the Retirement Savings  
11          Lost and Found is protected and that persons other  
12          than the individual cannot fraudulently claim the  
13          benefits to which any individual is entitled, and to  
14          allow any individual to opt out of inclusion in the  
15          Retirement Savings Lost and Found at the election  
16          of the individual.

17          (7) AUTHORIZATION OF APPROPRIATIONS.—  
18          There are authorized to be appropriated such sums  
19          as may be necessary to carry out the purposes of  
20          this subsection.

21          (b) MANDATORY TRANSFERS OF ROLLOVER DIS-  
22          TRIBUTIONS.—

23                (1) INVESTMENT OPTIONS.—

24                    (A) IN GENERAL.—Subparagraph (B) of  
25                    section 404(c)(3) of the Employee Retirement

1           Income Security Act of 1974 (29 U.S.C.  
2           1104(c)(3)) is amended by striking the period  
3           at the end and inserting “, and, to the extent  
4           the Secretary provides in guidance or regula-  
5           tions issued after the enactment of the Securing  
6           a Strong Retirement Act of 2020, is made to—

7                   “(i) a target date or life cycle fund  
8                   held under such account;

9                   “(ii) as described in section  
10                  2550.404a–2 of title 29, Code of Federal  
11                  Regulations, an investment product held  
12                  under such account designed to preserve  
13                  principal and provide a reasonable rate of  
14                  return;

15                  “(iii) the Pension Benefit Guaranty  
16                  Corporation in accordance with section  
17                  401(a)(31)(B)(iv) of the Internal Revenue  
18                  Code of 1986 and section 306(c)(2)(A)(ii)  
19                  of the Securing a Strong Retirement Act  
20                  of 2020; or

21                  “(iv) such other option as the Sec-  
22                  retary may so provide.”.

23           (B) REGULATIONS.—Not later than 270  
24           days after the date of the enactment of this  
25           Act, the Secretary of Labor shall promulgate

1 regulations identifying the target date or life  
2 cycle funds, or specifying the characteristics of  
3 such a fund, that will be deemed to meet the re-  
4 quirements of section 404(c)(3)(B)(i) of the  
5 Employee Retirement Income Security Act of  
6 1974 (29 U.S.C. 1104(c)(3)(B)), as amended  
7 by subparagraph (A).

8 (2) EXPANSION OF CAP; AUTHORITY TO TRANS-  
9 FER LESSER AMOUNTS.—

10 (A) CAP.—Sections 401(a)(31)(B)(ii) and  
11 411(a)(11)(A) of the Internal Revenue Code of  
12 1986 and section 203(e)(1) of the Employee  
13 Retirement Income Security Act of 1974 are  
14 each amended by striking “\$5,000” and insert-  
15 ing “\$6,000”.

16 (B) DISTRIBUTION OF LARGER AMOUNTS  
17 TO INDIVIDUAL RETIREMENT PLANS ONLY.—  
18 Section 401(a)(31)(B)(i) of such Code is  
19 amended by adding at the end the following:  
20 “The Office of the Retirement Savings Lost  
21 and Found established by Section 306 of the  
22 Securing a Strong Retirement Act shall not be  
23 treated as a trustee or issuer that is eligible to  
24 receive such distributions.”.



1 (C) LESSER AMOUNTS.—Section  
2 401(a)(31)(B) of such Code is amended by add-  
3 ing at the end the following new clauses:

4 “(iii) TREATMENT OF LESSER  
5 AMOUNTS.—In the case of a trust which is  
6 part of an eligible plan, such trust shall  
7 not be a qualified trust under this section  
8 unless such plan provides that, if a partici-  
9 pant in the plan separates from the service  
10 covered by the plan and the nonforfeitable  
11 accrued benefit described in clause (ii) is  
12 not in excess of \$1,000, the plan adminis-  
13 trator shall (either separately or as part of  
14 the notice under section 402(f)) notify the  
15 participant that the participant is entitled  
16 to such benefit or attempt to pay the ben-  
17 efit directly to the participant.

18 “(iv) TRANSFERS TO RETIREMENT  
19 SAVINGS LOST AND FOUND.—If, after a  
20 plan administrator takes the action re-  
21 quired under clause (iii), the participant  
22 does not—

23 “(I) within 6 months of the noti-  
24 fication under such clause, make an  
25 election under subparagraph (A) or

1 elect to receive a distribution of the  
2 benefit directly, or

3 “(II) accept any direct payment  
4 made under such clause within 6  
5 months of the attempted payment,  
6 the plan administrator shall transfer the  
7 amount of such benefit to the Office of the  
8 Retirement Savings Lost and Found in ac-  
9 cordance with section 306(c)(2)(a)(ii) of  
10 the Securing a Strong Retirement Act of  
11 2020.

12 “(v) INCOME TAX TREATMENT OF  
13 TRANSFERS TO RETIREMENT SAVINGS  
14 LOST AND FOUND.—For purposes of deter-  
15 mining the income tax treatment of trans-  
16 fers to the Office of the Retirement Sav-  
17 ings Lost and Found under clause (iv)—

18 “(I) such a transfer shall be  
19 treated as a transfer to an individual  
20 retirement plan under clause (i), and

21 “(II) the distribution of such  
22 amounts by the Office of the Retire-  
23 ment Savings Lost and Found shall  
24 be treated as a distribution from an  
25 individual retirement plan.”.

1           (D) EFFECTIVE DATE.—The amendments  
2           made by this paragraph shall apply to vested  
3           benefits with respect to participants who sepa-  
4           rate from service connected to the plan in plan  
5           years beginning after the second December 31  
6           occurring after the date of the enactment of  
7           this Act.

8           (c) OFFICE OF THE RETIREMENT SAVINGS LOST  
9   AND FOUND.—

10          (1) IN GENERAL.—Not later than one year  
11          after the date of the enactment of this Act, the Sec-  
12          retary of Labor, the Secretary of Treasury, and the  
13          Secretary of Commerce shall establish within the  
14          Pension Benefit Guaranty Corporation an Office of  
15          the Retirement Savings Lost and Found to operate  
16          in conjunction with section 4050 of the Employee  
17          Retirement Income Security Act of 1974 (29 U.S.C.  
18          1350).

19          (2) RESPONSIBILITIES OF OFFICE.—

20               (A) IN GENERAL.—In addition to admin-  
21               istering the Retirement Savings Lost and  
22               Found under subsection (a) and carrying out  
23               the duties described in clauses (ii) and (iii) of  
24               subsection (a)(1)(A), the Office of the Retire-

1           ment Savings Lost and Found established  
2           under this section shall—

3                   (i) perform an annual audit of plan  
4                   information contained in the Retirement  
5                   Savings Lost and Found and ensure that  
6                   such information is current and accurate;

7                   (ii) invest any amount transferred  
8                   under section 401(a)(31)(B)(iv) of the In-  
9                   ternal Revenue Code of 1986 in United  
10                  States Treasury securities;

11                  (iii) upon application filed by the par-  
12                  ticipant or beneficiary in such form and  
13                  manner as may be prescribed in regula-  
14                  tions, pay to the participant or beneficiary  
15                  the amount transferred (or the appropriate  
16                  survivor benefit) either—

17                           (I) in a single sum (plus inter-  
18                           est); or

19                           (II) in such other form as is  
20                           specified in regulations; and

21                   (iv) identify such amount as eligible to  
22                   be paid into an eligible retirement plan de-  
23                   scribed in section 402(c)(8)(B) of the In-  
24                   ternal Revenue Code of 1986.

1 (B) OPTION TO CONTRACT.—The Office of  
2 the Retirement Savings Lost and Found shall  
3 conduct an analysis of the cost effectiveness of  
4 contracting with a third party to carry out the  
5 responsibilities under subparagraph (A) and, if  
6 the Pension Benefit Guaranty Corporation de-  
7 termines that it would be more cost effective to  
8 do so than to carry out such responsibilities  
9 within the Office of the Retirement Savings  
10 Lost and Found, the Director shall report to  
11 the Committees on Finance and Health, Edu-  
12 cation, Labor, and Pensions of the Senate and  
13 the Committees on Ways and Means and Edu-  
14 cation and Labor of the House of Representa-  
15 tives the intention to so contract.

16 (C) OPTION TO PRESCRIBE PROTOCOLS.—  
17 The Pension Benefit Guaranty Corporation may  
18 establish protocols to assist participants origi-  
19 nally treated as lost or missing in claiming their  
20 benefits under a plan.

21 (D) COORDINATION.—The Office of the  
22 Retirement Savings Lost and Found shall co-  
23 ordinate with the Social Security Administra-  
24 tion, the Employee Benefits Security Adminis-  
25 tration, and other applicable agencies to inte-

1           grate information and databases on lost, miss-  
 2           ing, and inactive participants.

3           (d) TRANSMISSION OF INFORMATION TO PENSION  
 4 BENEFIT GUARANTY CORPORATION.—Section 6057 of the  
 5 Internal Revenue Code of 1986, as amended by the pre-  
 6 ceding provisions of this Act, is amended by redesignating  
 7 subsection (h) as subsection (i) and by inserting after sub-  
 8 section (g) the following new subsection:

9           “(h) TRANSMISSION OF INFORMATION TO DIRECTOR  
 10 OF PENSION BENEFIT GUARANTY CORPORATION.—The  
 11 Secretary shall transmit copies of any statements, notifi-  
 12 cations, reports, or other information obtained by him  
 13 under this section to the Director of the Pension Benefit  
 14 Guaranty Corporation.”.

15 **SEC. 307. EXEMPTION FROM REQUIRED MINIMUM DIS-**  
 16 **TRIBUTION RULES FOR INDIVIDUALS WITH**  
 17 **CERTAIN ACCOUNT BALANCES.**

18           (a) IN GENERAL.—Section 401(a)(9) of the Internal  
 19 Revenue Code of 1986, as amended by the preceding pro-  
 20 visions of this Act, is further amended by adding at the  
 21 end the following new subparagraph:

22           “(L) EXCEPTION FROM REQUIRED MIN-  
 23 IMUM DISTRIBUTIONS DURING LIFE OF EM-  
 24 PLOYEE WHERE ASSETS DO NOT EXCEED  
 25 \$100,000.—

1 “(i) IN GENERAL.—If, as of a meas-  
2 urement date, the aggregate value of an  
3 employee’s entire interest under all defined  
4 contribution plans does not exceed  
5 \$100,000, then, during any succeeding cal-  
6 endar year beginning before the next meas-  
7 urement date, the requirements of sub-  
8 paragraph (A) shall not apply with respect  
9 to such employee.

10 “(ii) DEFINED CONTRIBUTION  
11 PLAN.—For purposes of this subpara-  
12 graph, the term ‘defined contribution plan’  
13 has the same meaning as when used in  
14 subparagraph (H).

15 “(iii) LIMIT ON REQUIRED MINIMUM  
16 DISTRIBUTION.—The required minimum  
17 distribution determined under subpara-  
18 graph (A) for an employee under all de-  
19 fined contribution plans shall not exceed  
20 an amount equal to the excess of—

21 “(I) the aggregate value of an  
22 employee’s entire interest under such  
23 plans on the last day of the calendar  
24 year to which such distribution re-  
25 lates, over

1                   “(II) the dollar amount in effect  
2                   under clause (i) for such calendar  
3                   year.

4                   The Secretary in regulations or other guid-  
5                   ance may provide how such amount shall  
6                   be distributed in the case of an individual  
7                   with more than one defined contribution  
8                   plan.

9                   “(iv) MEASUREMENT DATE.—For  
10                  purposes of this subparagraph, the term  
11                  ‘measurement date’ means, with respect to  
12                  any employee—

13                  “(I) the last day of the calendar  
14                  year preceding the calendar year in  
15                  which the employee attains age 75,  
16                  and

17                  “(II) in the case of any employee  
18                  who (after a measurement date deter-  
19                  mined under subclause (I) with re-  
20                  spect to such employee) receives con-  
21                  tributions, rollovers, or transfers of  
22                  amounts that were not previously  
23                  taken into account in applying this  
24                  subparagraph, the last day of the cal-



1                   endar year in which such contribution,  
2                   rollover, or transfer was so received.

3                   “(v) INFLATION ADJUSTMENT.—In  
4                   the case of any calendar year beginning  
5                   after 2020, the \$100,000 amount in clause  
6                   (i) shall be increased by an amount equal  
7                   to—

8                   “(I) such dollar amount, multi-  
9                   plied by

10                   “(II) the cost of living adjust-  
11                   ment determined under section 1(f)(3)  
12                   for the calendar year, determined by  
13                   substituting ‘calendar year 2019’ for  
14                   ‘calendar year 2016’ in subparagraph  
15                   (A)(ii) thereof.

16                   Any increase determined under this clause  
17                   shall be rounded to the next lowest mul-  
18                   tiple of \$5,000.

19                   “(vi) PLAN ADMINISTRATOR RELI-  
20                   ANCE ON EMPLOYEE CERTIFICATION.—A  
21                   defined contribution plan described in  
22                   clause (iii), (iv), (v), or (vi) of section  
23                   402(c)(8)(B) shall not be treated as failing  
24                   to meet the requirements of this paragraph  
25                   in the case of any failure to make a re-

1           quired minimum distribution for a cal-  
2           endar year if—

3                   “(I) the aggregate value of an  
4                   employee’s entire interest under all  
5                   defined contribution plans of the em-  
6                   ployer on the last day of the calendar  
7                   year to which such distribution relates  
8                   does not exceed the dollar amount in  
9                   effect for such year under clause (i),  
10                  and

11                  “(II) the employee certifies that  
12                  the aggregate value of the employee’s  
13                  entire interest under all defined con-  
14                  tribution plans on the most recent  
15                  measurement date with respect to the  
16                  employee (as determined by the em-  
17                  ployee based on guidance provided by  
18                  the Secretary) did not exceed the dol-  
19                  lar amount in effect for such year  
20                  under clause (i).

21                  “(vii) AGGREGATION RULE.—All em-  
22                  ployers treated as a single employer under  
23                  subsection (b), (c), (m), or (o) of section  
24                  414 shall be treated as a single employer  
25                  for purposes of clause (v).”.

1 (b) PLAN ADMINISTRATOR REPORTING.—Section  
2 6047 of such Code is amended by redesignating subsection  
3 (h) as subsection (i) and by inserting after subsection (g)  
4 the following new subsection:

5 “(h) ACCOUNT BALANCE FOR PARTICIPANTS WHO  
6 HAVE ATTAINED AGE 74.—

7 “(1) IN GENERAL.—Not later than January 31  
8 of each year, the plan administrator (as defined in  
9 section 414(g)) of each defined contribution plan (as  
10 defined in section 401(a)(9)(L)) shall make a return  
11 to the Secretary with respect to each participant of  
12 such plan who has attained age 74 as of the end of  
13 the preceding calendar year which states—

14 “(A) the name and plan number of the  
15 plan,

16 “(B) the name and address of the plan ad-  
17 ministrator,

18 “(C) the name, address, and taxpayer  
19 identification number of the participant, and

20 “(D) the account balance of such partici-  
21 pant as of the end of the preceding calendar  
22 year.

23 “(2) STATEMENT FURNISHED TO PARTICI-  
24 PANT.—Every person required to make a return  
25 under paragraph (1) with respect to a participant

1       shall furnish a copy of such return to such partici-  
2       pant.

3               “(3) APPLICATION TO INDIVIDUAL RETIREMENT  
4       PLANS AND ANNUITIES.—In the case of an defined  
5       contribution plan described in clause (i) or (ii) of  
6       section 402(c)(8)(B)—

7               “(A) any reference in this subsection to  
8       the plan administrator shall be treated as a ref-  
9       erence to the trustee or issuer, as the case may  
10      be, and

11              “(B) any reference in this subsection to  
12      the participant shall be treated as a reference  
13      to the individual for whom such account or an-  
14      nuity is maintained.”.

15      (c) EFFECTIVE DATE.—The amendments made by  
16      this section shall apply to distributions required to be  
17      made in calendar years beginning more than 120 days  
18      after the date of the enactment of this Act.

19      **SEC. 308. EXPANSION OF EMPLOYEE PLANS COMPLIANCE**  
20                      **RESOLUTION SYSTEM.**

21      (a) IN GENERAL.—Except as otherwise provided in  
22      the Internal Revenue Code of 1986 or regulations pre-  
23      scribed by the Secretary of the Treasury or the Secretary’s  
24      delegate (referred to in this section as the “Secretary”),  
25      any eligible inadvertent failure to comply with the rules

1 applicable under section 401(a), 403(a), 403(b), 408(p),  
2 or 408(k) of such Code may be self-corrected under the  
3 Employee Plans Compliance Resolution System (as de-  
4 scribed in Revenue Procedure 2019–19 or any successor  
5 guidance and hereafter in this section referred to as the  
6 “EPCRS”), except to the extent that such failure was  
7 identified by the Secretary prior to any actions which dem-  
8 onstrate a commitment to implement a self-correction.  
9 Revenue Procedure 2019–19 is deemed amended as of the  
10 date of the enactment of this Act to provide that the cor-  
11 rection period under section 9.02 of such Revenue Proce-  
12 dure (or any successor guidance) for an eligible inad-  
13 vertent failure, except as otherwise provided under such  
14 Code or in regulations prescribed by the Secretary, is in-  
15 definite and has no last day, other than with respect to  
16 failures identified by the Secretary prior to any self-correc-  
17 tion as described in the preceding sentence.

18 (b) LOAN ERRORS.—In the case of an eligible inad-  
19 vertent failure relating to a loan from a plan to a partici-  
20 pant—

21 (1) such failure may be self-corrected under  
22 subsection (a) according to the rules of section 6.07  
23 of Revenue Procedure 2019–19 (or any successor  
24 guidance), including the provisions related to wheth-

1       er a deemed distribution must be reported on Form  
2       1099–R, and

3           (2) the Secretary of Labor shall treat any such  
4       failure which is so self-corrected under subsection  
5       (a) as meeting the requirements of the Voluntary Fi-  
6       duciary Correction Program of the Department of  
7       Labor if, with respect to the violation of the fidu-  
8       ciary standards of the Employee Retirement Income  
9       Security Act of 1974, there is a similar loan error  
10      eligible for correction under EPCRS and the loan  
11      error is corrected in such manner.

12      (c) EPCRS FOR IRAS.—The Secretary shall expand  
13      the EPCRS to allow custodians of individual retirement  
14      plans (as defined in section 7701(a)(37) of the Internal  
15      Revenue Code of 1986) to address eligible inadvertent fail-  
16      ures for which the owner of an individual retirement plan  
17      (as so defined) was not at fault, including (but not limited  
18      to)—

19           (1) waivers of the excise tax which would other-  
20      wise apply under section 4974 of the Internal Rev-  
21      enue Code of 1986,

22           (2) under the self-correction component of the  
23      EPCRS, waivers of the 60-day deadline for a roll-  
24      over where the deadline is missed for reasons beyond  
25      the reasonable control of the account owner, and

1           (3) rules permitting a nonspouse beneficiary to  
2       return distributions to an inherited individual retire-  
3       ment plan described in section 408(d)(3)(C) of the  
4       Internal Revenue Code of 1986 in a case where, due  
5       to an inadvertent error by a service provider, the  
6       beneficiary had reason to believe that the distribu-  
7       tion could be rolled over without inclusion in income  
8       of any part of the distributed amount.

9       (d) REQUIRED MINIMUM DISTRIBUTION CORREC-  
10      TIONS.—The Secretary shall expand the EPCRS to allow  
11      plans to which such system applies and custodians and  
12      owners of individual retirement plans to self-correct, with-  
13      out an excise tax, any eligible inadvertent failures pursu-  
14      ant to which a distribution is made no more than 180 days  
15      after it was required to be made.

16      (e) ADDITIONAL SAFE HARBORS.—The Secretary  
17      shall expand the EPCRS to provide additional safe harbor  
18      means of correcting eligible inadvertent failures described  
19      in subsection (a), including safe harbor means of calcu-  
20      lating the earnings which must be restored to a plan in  
21      cases where plan assets have been depleted by reason of  
22      an eligible inadvertent failure.

23      (f) ELIGIBLE INADVERTENT FAILURE.—For pur-  
24      poses of this section—

1           (1) IN GENERAL.—Except as provided in para-  
2           graph (2), the term “eligible inadvertent failure”  
3           means a failure that occurs despite the existence of  
4           practices and procedures which—

5                   (A) satisfy the standards set forth in sec-  
6                   tion 4.04 of Revenue Procedure 2019–19 (or  
7                   any successor guidance), or

8                   (B) satisfy similar standards in the case of  
9                   an individual retirement plan.

10          (2) EXCEPTION.—The term “eligible inad-  
11          vertent failure” shall not include any failure which  
12          is egregious, relates to the diversion or misuse of  
13          plan assets, or is directly or indirectly related to an  
14          abusive tax avoidance transaction.

15          (g) APPLICATION OF CERTAIN REQUIREMENTS FOR  
16          CORRECTING ERRORS.—This section shall not apply to  
17          any failure unless the correction of such failure under this  
18          section is made in conformity with the general principles  
19          that apply to corrections of such failures under the Inter-  
20          nal Revenue Code of 1986, including regulations or other  
21          guidance issued thereunder and including those principles  
22          and corrections set forth in Revenue Procedure 2019–19  
23          (or any successor guidance).”



1 **SEC. 309. ELIMINATE THE “FIRST DAY OF THE MONTH” RE-**  
 2 **QUIREMENT FOR GOVERNMENTAL SECTION**  
 3 **457(B) PLANS.**

4 (a) IN GENERAL.—Paragraph (4) of section 457(b)  
 5 of the Internal Revenue Code of 1986 is amended to read  
 6 as follows:

7 “(4) which provides that compensation—

8 “(A) in the case of an eligible employer de-  
 9 scribed in subsection (e)(1)(A), will be deferred  
 10 only if an agreement providing for such deferral  
 11 has been entered into before the compensation  
 12 is currently available to the individual, and

13 “(B) in any other case, will be deferred for  
 14 any calendar month only if an agreement pro-  
 15 viding for such deferral has been entered into  
 16 before the beginning of such month.”.

17 (b) EFFECTIVE DATE.—The amendment made by  
 18 this section shall apply to taxable years beginning after  
 19 the date of the enactment of this Act.

20 **SEC. 310. ONE-TIME ELECTION FOR QUALIFIED CHARI-**  
 21 **TABLE DISTRIBUTION TO SPLIT-INTEREST**  
 22 **ENTITY; INCREASE IN QUALIFIED CHARI-**  
 23 **TABLE DISTRIBUTION LIMITATION.**

24 (a) INCREASE IN LIMITATION.—Section 408(d)(8)(A)  
 25 of the Internal Revenue Code of 1986 is amended by strik-  
 26 ing “\$100,000” and inserting “\$130,000”.

1       (b) ONE-TIME ELECTION FOR QUALIFIED CHARITABLE  
 2 TABLE DISTRIBUTION TO SPLIT-INTEREST ENTITY.—  
 3 Section 408(d)(8) of such Code is amended by adding at  
 4 the end the following new subparagraph:

5               “(F) ONE-TIME ELECTION FOR QUALIFIED  
 6 CHARITABLE DISTRIBUTION TO SPLIT-INTEREST  
 7 ENTITY.—

8               “(i) IN GENERAL.—A taxpayer may  
 9 for a taxable year elect under this subpara-  
 10 graph to treat as meeting the requirement  
 11 of subparagraph (B)(i) any distribution  
 12 from an individual retirement account  
 13 which is made directly by the trustee to a  
 14 split-interest entity, but only if—

15               “(I) an election is not in effect  
 16 under this subparagraph for a pre-  
 17 ceding taxable year, and

18               “(II) such distribution meets the  
 19 requirements of clauses (iii) and (iv).

20               “(ii) SPLIT-INTEREST ENTITY.—For  
 21 purposes of this subparagraph, the term  
 22 ‘split-interest entity’ means—

23               “(I) a charitable remainder annu-  
 24 ity trust (as defined in section  
 25 664(d)(1)), but only if such trust is

1 funded exclusively by qualified chari-  
2 table distributions,

3 “(II) a charitable remainder  
4 unitrust (as defined in section  
5 664(d)(2)), but only if such unitrust  
6 is funded exclusively by qualified char-  
7 itable distributions, or

8 “(III) a charitable gift annuity  
9 (as defined in section 501(m)(5)), but  
10 only if such annuity is funded exclu-  
11 sively by qualified charitable distribu-  
12 tions and commences fixed payments  
13 of 5 percent or greater not later than  
14 1 year from the date of funding.

15 “(iii) CONTRIBUTIONS MUST BE OTH-  
16 ERWISE DEDUCTIBLE.—A distribution  
17 meets the requirement of this clause only  
18 if—

19 “(I) in the case of a distribution  
20 to a charitable remainder annuity  
21 trust or a charitable remainder uni-  
22 trust, a deduction for the entire value  
23 of the remainder interest in the dis-  
24 tribution for the benefit of a specified  
25 charitable organization would be al-

1 lowable under section 170 (determined  
2 without regard to subsection (b)  
3 thereof and this paragraph), and

4 “(II) in the case of a charitable  
5 gift annuity, a deduction in an  
6 amount equal to the amount of the  
7 distribution reduced by the value of  
8 the annuity described in section  
9 501(m)(5)(B) would be allowable  
10 under section 170 (determined with-  
11 out regard to subsection (b) thereof  
12 and this paragraph).

13 “(iv) LIMITATION ON INCOME INTER-  
14 ESTS.—A distribution meets the require-  
15 ments of this clause only if—

16 “(I) no person holds an income  
17 interest in the split-interest entity  
18 other than the individual for whose  
19 benefit such account is maintained,  
20 the spouse of such individual, or both,  
21 and

22 “(II) the income interest in the  
23 split-interest entity is nonassignable.

24 “(v) SPECIAL RULES.—

1                   “(I) CHARITABLE REMAINDER  
 2 TRUSTS.—Notwithstanding section  
 3 664(b), distributions made from a  
 4 trust described in subclause (I) or (II)  
 5 of clause (ii) shall be treated as ordi-  
 6 nary income in the hands of the bene-  
 7 ficiary to whom the annuity described  
 8 in section 664(d)(1)(A) or the pay-  
 9 ment described in section  
 10 664(d)(2)(A) is paid.

11                   “(II) CHARITABLE GIFT ANNU-  
 12 ITIES.—Qualified charitable distribu-  
 13 tions made to fund a charitable gift  
 14 annuity shall not be treated as an in-  
 15 vestment in the contract for purposes  
 16 of section 72(c).”.

17       (c) EFFECTIVE DATE.—The amendment made by  
 18 this section shall apply to distributions made in taxable  
 19 years ending after the date of the enactment of this Act.

20 **SEC. 311. RETIREMENT PLAN DISTRIBUTIONS FOR CHARI-**  
 21 **TABLE PURPOSE.**

22       (a) IN GENERAL.—Section 402 of the Internal Rev-  
 23 enue Code of 1986 is amended by adding at the end the  
 24 following new subsection:

1       “(m) DISTRIBUTIONS FOR CHARITABLE PUR-  
2       POSES.—

3               “(1) IN GENERAL.—Gross income for any tax-  
4       able year shall not include so much of the aggregate  
5       amount of qualified charitable distributions made  
6       with respect to a taxpayer during such taxable year  
7       which does not exceed the applicable amount.

8               “(2) QUALIFIED CHARITABLE DISTRIBUTION.—  
9       For purposes of this subsection, the term ‘qualified  
10      charitable distribution’ means any distribution from  
11      a trust as defined in section 401(a) that is exempt  
12      from tax under 501(a)—

13              “(A) which is made directly by the plan to  
14      an organization described in section  
15      170(b)(1)(A) (other than any organization de-  
16      scribed in section 509(a)(3) or any fund or ac-  
17      count described in section 4966(d)(2)), and

18              “(B) which is made on or after the date  
19      that the individual on whose behalf the distribu-  
20      tion is made has attained age 70<sup>1</sup>/<sub>2</sub>.

21      A distribution shall be treated as a qualified chari-  
22      table distribution only to the extent that the dis-  
23      tribution would be includible in gross income without  
24      regard to paragraph (1).

25              “(3) SPECIAL RULES.—

1           “(A) IN GENERAL.—Rules similar to the  
 2           rules of subparagraphs (C), (E), and (F) of sec-  
 3           tion 408(d)(8) shall apply for purposes of this  
 4           subsection.

5           “(B) APPLICATION OF SECTION 72.—  
 6           Rules similar to the rules of section  
 7           408(d)(8)(D) shall apply for purposes of this  
 8           subsection, by taking into account all amounts  
 9           in the eligible retirement plan to which the tax-  
 10          payer has a nonforfeitable right in lieu of all  
 11          amounts in all individual retirement plans of  
 12          the individual.

13          “(4) APPLICABLE AMOUNT.—For purposes of  
 14          this subsection, the term ‘applicable amount’ means  
 15          the excess of—

16               “(A) \$130,000, over

17               “(B) the total amount of any distributions  
 18               not includible in gross income of the taxpayer  
 19               for the taxable year by reason of sections  
 20               403(d), 408(d)(8), and 457(e)(19).”.

21          (b) SEPs AND SIMPLEs.—Section 408(d)(8)(B) of  
 22          such Code is amended by striking “(other than a plan de-  
 23          scribed in subsection (k) or (p))”.

1 (c) CERTAIN ANNUITY PLANS.—Section 403 of such  
 2 Code is amended by adding at the end the following new  
 3 subsection:

4 “(d) DISTRIBUTIONS FOR CHARITABLE PURPOSES.—  
 5 The rules of section 402(m) shall apply to distributions  
 6 under an annuity plan described in subsection (a) or an  
 7 annuity contract described in subsection (b).”.

8 (d) 457(b) PLANS.—Subsection (e) of section 457 of  
 9 such Code is amended by adding at the end the following  
 10 new paragraph:

11 “(19) DISTRIBUTIONS FOR CHARITABLE PUR-  
 12 POSES.—The rules of section 402(m) shall apply to  
 13 distributions under an eligible deferred compensation  
 14 plan established and maintained by an employer de-  
 15 scribed in subsection (e)(1)(A).”.

16 (e) EFFECTIVE DATE.—The amendments made by  
 17 this section shall apply to distributions made in taxable  
 18 years ending after the date of the enactment of this Act.

19 **SEC. 312. DISTRIBUTIONS TO FIREFIGHTERS.**

20 (a) IN GENERAL.—Subparagraph (A) of section  
 21 72(t)(10) of the Internal Revenue Code of 1986 is amend-  
 22 ed by striking “414(d))” and inserting “414(d)) or a dis-  
 23 tribution from a plan described in clause (iii), (iv), or (vi)  
 24 of section 402(c)(8)(B) to an employee who provides fire-  
 25 fighting services”.



1 (b) CONFORMING AMENDMENT.—The heading of  
 2 paragraph (10) of section 72(t) of such Code is amend-  
 3 ed—

4 (1) by striking “QUALIFIED”, and

5 (2) by striking “IN GOVERNMENTAL PLANS”.

6 (c) EFFECTIVE DATE.—The amendments made by  
 7 this section shall apply to distributions made after Decem-  
 8 ber 31, 2020.

9 **SEC. 313. EXCLUSION OF CERTAIN DISABILITY-RELATED**  
 10 **FIRST RESPONDER RETIREMENT PAYMENTS.**

11 (a) IN GENERAL.—Part III of subchapter B of chap-  
 12 ter 1 of the Internal Revenue Code of 1986 is amended  
 13 by inserting after section 139B the following new section:

14 **“SEC. 139C. CERTAIN DISABILITY-RELATED FIRST RE-**  
 15 **SPONDER RETIREMENT PAYMENTS.**

16 “(a) IN GENERAL.—In the case of an individual who  
 17 receives qualified first responder retirement payments for  
 18 any taxable year, gross income shall not include so much  
 19 of such payments as do not exceed the annualized exclud-  
 20 able disability amount with respect to such individual.

21 “(b) QUALIFIED FIRST RESPONDER RETIREMENT  
 22 PAYMENTS.—For purposes of this section, the term ‘quali-  
 23 fied first responder retirement payments’ means, with re-  
 24 spect to any taxable year, any pension or annuity which

1 but for this section would be includible in gross income  
 2 for such taxable year and which is received—

3 “(1) from a plan described in clause (iii), (iv),  
 4 (v), or (vi) of section 402(c)(8)(B), and

5 “(2) in connection with such individual’s quali-  
 6 fied first responder service.

7 “(c) ANNUALIZED EXCLUDABLE DISABILITY  
 8 AMOUNT.—For purposes of this section—

9 “(1) IN GENERAL.—The term ‘annualized ex-  
 10 cludable disability amount’ means, with respect to  
 11 any individual, the service-connected excludable dis-  
 12 ability amounts which are properly attributable to  
 13 the 12-month period immediately preceding the date  
 14 on which such individual attains retirement age.

15 “(2) SERVICE-CONNECTED EXCLUDABLE DIS-  
 16 ABILITY AMOUNT.—The term ‘service-connected ex-  
 17 cludable disability amount’ means periodic payments  
 18 received by an individual which—

19 “(A) are not includible in such individual’s  
 20 gross income under section 104(a)(1),

21 “(B) are received in connection with such  
 22 individual’s qualified first responder service,  
 23 and

24 “(C) terminate when such individual at-  
 25 tains retirement age.

1           “(3) SPECIAL RULE FOR PARTIAL-YEAR PAY-  
2           MENTS.—In the case of an individual who only re-  
3           ceives service-connected excludable disability  
4           amounts properly attributable to a portion of the 12-  
5           month period described in paragraph (1), such para-  
6           graph shall be applied by multiplying such amounts  
7           by the ratio of 365 to the number of days in such  
8           period to which such amounts were properly attrib-  
9           utable.

10          “(d) QUALIFIED FIRST RESPONDER SERVICE.—For  
11       purposes of this section, the term ‘qualified first responder  
12       service’ means service as a law enforcement officer, fire-  
13       fighter, paramedic, or emergency medical technician.”.

14          (b) CLERICAL AMENDMENT.—The table of sections  
15       for part III of subchapter B of chapter 1 of such Code  
16       is amended by inserting after the item relating to section  
17       139B the following new item:

          “Sec. 139C. Certain disability-related first responder retirement payments.”.

18          (c) EFFECTIVE DATE.—The amendments made by  
19       this section shall apply to amounts received with respect  
20       to taxable years beginning after the date of the enactment  
21       of this Act.

1 **SEC. 314. INDIVIDUAL RETIREMENT PLAN STATUTE OF LIM-**  
2 **ITATIONS FOR EXCISE TAX ON EXCESS CON-**  
3 **TRIBUTIONS, CERTAIN ACCUMULATIONS,**  
4 **AND PROHIBITED TRANSACTIONS.**

5 Section 6501(l) of the Internal Revenue Code of 1986  
6 is amended—

7 (1) in paragraph (1), by inserting “(other than  
8 with respect to an individual retirement plan)” after  
9 “section 4975”, and

10 (2) by adding at the end the following new  
11 paragraph:

12 “(4) INDIVIDUAL RETIREMENT PLANS.—

13 “(A) IN GENERAL.—For purposes of any  
14 tax imposed by section 4973, 4974, or 4975 in  
15 connection with an individual retirement plan,  
16 the return referred to in this section shall be  
17 the income tax return filed by the person on  
18 whom the tax under such section is imposed for  
19 the year in which the act (or failure to act) giv-  
20 ing rise to the liability for such tax occurred.

21 “(B) RULE IN CASE OF INDIVIDUALS NOT  
22 REQUIRED TO FILE RETURN.—In the case of a  
23 person who is not required to file an income tax  
24 return for such year—

25 “(i) the return referred to in this sec-  
26 tion shall be the income tax return that

1           such person would have been required to  
 2           file but for the fact that such person was  
 3           not required to file such return, and

4           “(ii) the 3-year period referred to in  
 5           subsection (a) with respect to the return  
 6           shall be deemed to begin on the date by  
 7           which the return would have been required  
 8           to be filed (excluding any extension there-  
 9           of).”.

10 **SEC. 315. REQUIREMENT TO PROVIDE PAPER STATEMENTS**  
 11 **IN CERTAIN CASES.**

12       (a) IN GENERAL.—Section 105(a)(2) of the Em-  
 13 ployee Retirement Income Security Act of 1974 (29  
 14 U.S.C. 1025(a)(2)) is amended—

15           (1) in subparagraph (A)(iv), by inserting “sub-  
 16       ject to subparagraph (E),” before “may be deliv-  
 17       ered”; and

18           (2) by adding at the end the following:

19           “(E) PROVISION OF PAPER STATE-  
 20       MENTS.—With respect to at least 1 pension  
 21       benefit statement furnished for a calendar year  
 22       with respect to an individual account plan  
 23       under paragraph (1)(A), and with respect to at  
 24       least 1 pension benefit statement furnished  
 25       every 3 calendar years with respect to a defined

benefit plan under paragraph (1)(B), such statement shall be furnished on paper in written form except—

“(i) in the case of a plan that furnishes such statement in accordance with section 2520.104b–1(c) of title 29, Code of Federal Regulations; or

“(ii) in the case of a plan that permits a participant or beneficiary to request that the statements referred to in the matter preceding clause (i) be furnished by electronic delivery, if the participant or beneficiary requests that such statements be delivered electronically and the statements are so delivered.”.

(b) IMPLEMENTATION.—

(1) IN GENERAL.—The Secretary of Labor shall, not later than July 1, 2021, update section 2520.104b–1(c) of title 29, Code of Federal Regulations, to provide that a plan may furnish the statements referred to in subparagraph (E) of section 105(a)(2) by electronic delivery only if, in addition to meeting the other requirements under the regulations—

1 (A) such plan furnishes each participant,  
2 including participants described in subpara-  
3 graph (B), a one-time initial notice on paper in  
4 written form, prior to the electronic delivery of  
5 any pension benefit statement, of their right to  
6 request that all documents required to be dis-  
7 closed under title I of the Employee Retirement  
8 Income Security Act of 1974 be furnished on  
9 paper in written form; and

10 (B) such plan furnishes each participant  
11 who is separated from service with at least 1  
12 pension benefit statement on paper in written  
13 form for each calendar year.

14 (2) OTHER GUIDANCE.—In implementing the  
15 amendment made by subsection (a) with respect to  
16 a plan that discloses required documents or state-  
17 ments electronically, in accordance with applicable  
18 guidance governing electronic disclosure by the De-  
19 partment of Labor (with the exception of section  
20 2520.104b–1(c) of title 29, Code of Federal Regula-  
21 tions), the Secretary of Labor shall, not later than  
22 July 1, 2021, update such guidance to the extent  
23 necessary to ensure that—

24 (A) a participant or beneficiary under such  
25 a plan is permitted the opportunity to request

1           that any disclosure required to be delivered on  
2           paper under applicable guidance by the Depart-  
3           ment of Labor shall be furnished by electronic  
4           delivery;

5           (B) each paper statement furnished under  
6           such a plan pursuant to the amendment shall  
7           include—

8                   (i) an explanation of how to request  
9                   that all such statements, and any other  
10                  document required to be disclosed under  
11                  title I of the Employee Retirement Income  
12                  Security Act of 1974, be furnished by elec-  
13                  tronic delivery; and

14                  (ii) contact information for the plan  
15                  sponsor, including a telephone number;

16           (C) the plan may not charge any fee to a  
17           participant or beneficiary for the delivery of  
18           paper statements;

19           (D) each paper pension benefit statement  
20           shall identify each plan document required to be  
21           disclosed and shall include information about  
22           how a participant or beneficiary may access  
23           each such document;

24           (E) each document required to be disclosed  
25           that is furnished by electronic delivery under



such a plan shall include an explanation of how to request that all such documents be furnished on paper in written form;

(F) a plan is permitted to furnish a duplicate electronic statement in any case in which the plan furnishes a paper statement; and

(G) furnishment of such a paper pension benefit statement may be combined, in one document, with a notice explaining electronic delivery of other disclosure documents as a default selection and the right to opt out of such electronic delivery, but only if such paper statement is furnished prior to the electronic delivery of any such statement.

(c) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to plan years beginning after December 31, 2021.

## **TITLE IV—TECHNICAL AMENDMENTS**

### **SEC. 401. AMENDMENTS RELATING TO SETTING EVERY COMMUNITY UP FOR RETIREMENT ENHANCE- MENT ACT OF 2019.**

(a) TECHNICAL AMENDMENTS.—

(1) AMENDMENT RELATING TO SECTION 114.—

Section 401(a)(9)(C)(iii) of the Internal Revenue

1 Code of 1986 is amended by striking “employee to  
2 whom clause (i)(II) applies” and inserting “em-  
3 ployee (other than an employee to whom clause  
4 (i)(II) does not apply by reason of clause (ii))”.

5 (2) AMENDMENT RELATING TO SECTION 116.—

6 Section 4973(b) of the Internal Revenue Code of  
7 1986 is amended by adding at the end of the flush  
8 matter the following: “Such term shall not include  
9 any designated nondeductible contribution (as de-  
10 fined in subparagraph (C) of section 408(o)(2))  
11 which does not exceed the nondeductible limit under  
12 subparagraph (B) thereof by reason of an election  
13 under section 408(o)(5).”.

14 (3) EFFECTIVE DATE.—The amendments made  
15 by this section shall take effect as if included in sec-  
16 tion of the Setting Every Community Up for Retirement  
17 Enhancement Act of 2019 to which the  
18 amendment relates.

19 (b) CLERICAL AMENDMENT.—Section  
20 72(t)(2)(H)(vi)(IV) of the Internal Revenue Code of 1986  
21 is amended by striking “403(b)(7)(A)(ii)” and inserting  
22 “ 403(b)(7)(A)(i)”.

**TITLE V—ADMINISTRATIVE  
PROVISIONS**

**SEC. 501. PROVISIONS RELATING TO PLAN AMENDMENTS.**

(a) IN GENERAL.—If this section applies to any retirement plan or contract amendment—

(1) such retirement plan or contract shall be treated as being operated in accordance with the terms of the plan during the period described in subsection (b)(2)(A); and

(2) except as provided by the Secretary of the Treasury (or the Secretary's delegate), such retirement plan shall not fail to meet the requirements of section 411(d)(6) of the Internal Revenue Code of 1986 and section 204(g) of the Employee Retirement Income Security Act of 1974 by reason of such amendment.

(b) AMENDMENTS TO WHICH SECTION APPLIES.—

(1) IN GENERAL.—This section shall apply to any amendment to any retirement plan or annuity contract which is made—

(A) pursuant to any amendment made by this Act or pursuant to any regulation issued by the Secretary of the Treasury or the Secretary of Labor (or a delegate of either such Secretary) under this Act; and

1 (B) on or before the last day of the first  
2 plan year beginning on or after January 1,  
3 2022.

4 In the case of a governmental plan (as defined in  
5 section 414(d) of the Internal Revenue Code of  
6 1986), this paragraph shall be applied by sub-  
7 stituting “2024” for “2022”.

8 (2) CONDITIONS.—This section shall not apply  
9 to any amendment unless—

10 (A) during the period—

11 (i) beginning on the date the legisla-  
12 tive or regulatory amendment described in  
13 paragraph (1)(A) takes effect (or in the  
14 case of a plan or contract amendment not  
15 required by such legislative or regulatory  
16 amendment, the effective date specified by  
17 the plan); and

18 (ii) ending on the date described in  
19 paragraph (1)(B) (as modified by the sec-  
20 ond sentence of paragraph (1)) (or, if ear-  
21 lier, the date the plan or contract amend-  
22 ment is adopted),

23 the plan or contract is operated as if such plan  
24 or contract amendment were in effect; and

- 1 (B) such plan or contract amendment ap-
- 2 plies retroactively for such period.

